UIDLC

SOW208

INTRODUCTION TO
WORK PLACE

Course Manual

E. M. AJALA, Ph.D.

Introduction to Work Place

SOW208

University of Ibadan Distance Learning Centre
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General Editor: Prof. Bayo Okunade

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Vice-Chancellor's Message

The Distance Learning Centre is building on a solid tradition of over two decades of service in the provision of External Studies Programme and now Distance Learning Education in Nigeria and beyond. The Distance Learning mode to which we are committed is providing access to many deserving Nigerians in having access to higher education especially those who by the nature of their engagement do not have the luxury of full time education. Recently, it is contributing in no small measure to providing places for teeming Nigerian youths who for one reason or the other could not get admission into the conventional universities.

These course materials have been written by writers specially trained in ODL course delivery. The writers have made great efforts to provide up to date information, knowledge and skills in the different disciplines and ensure that the materials are user-friendly.

In addition to provision of course materials in print and e-format, a lot of Information Technology input has also gone into the deployment of course materials. Most of them can be downloaded from the DLC website and are available in audio format which you can also download into your mobile phones, IPod, MP3 among other devices to allow you listen to the audio study sessions. Some of the study session materials have been scripted and are being broadcast on the university's Diamond Radio FM 101.1, while others have been delivered and captured in audio-visual format in a classroom environment for use by our students. Detailed information on availability and access is available on the website. We will continue in our efforts to provide and review course materials for our courses.

However, for you to take advantage of these formats, you will need to improve on your I.T. skills and develop requisite distance learning Culture. It is well known that, for efficient and effective provision of Distance learning education, availability of appropriate and relevant course materials is a *sine qua non*. So also, is the availability of multiple plat form for the convenience of our students. It is in fulfillment of this, that series of course materials are being written to enable our students study at their own pace and convenience.

It is our hope that you will put these course materials to the best use.

Prof. Isaac Adewole

Vice-Chancellor

Foreword

As part of its vision of providing education for "Liberty and Development" for Nigerians and the International Community, the University of Ibadan, Distance Learning Centre has recently embarked on a vigorous repositioning agenda which aimed at embracing a holistic and all encompassing approach to the delivery of its Open Distance Learning (ODL) programmes. Thus we are committed to global best practices in distance learning provision. Apart from providing an efficient administrative and academic support for our students, we are committed to providing educational resource materials for the use of our students. We are convinced that, without an up-to-date, learner-friendly and distance learning compliant course materials, there cannot be any basis to lay claim to being a provider of distance learning education. Indeed, availability of appropriate course materials in multiple formats is the hub of any distance learning provision worldwide.

In view of the above, we are vigorously pursuing as a matter of priority, the provision of credible, learner-friendly and interactive course materials for all our courses. We commissioned the authoring of, and review of course materials to teams of experts and their outputs were subjected to rigorous peer review to ensure standard. The approach not only emphasizes cognitive knowledge, but also skills and humane values which are at the core of education, even in an ICT age.

The development of the materials which is on-going also had input from experienced editors and illustrators who have ensured that they are accurate, current and learner-friendly. They are specially written with distance learners in mind. This is very important because, distance learning involves non-residential students who can often feel isolated from the community of learners.

It is important to note that, for a distance learner to excel there is the need to source and read relevant materials apart from this course material. Therefore, adequate supplementary reading materials as well as other information sources are suggested in the course materials.
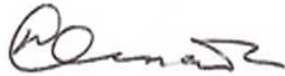
Apart from the responsibility for you to read this course material with others, you are also advised to seek assistance from your course facilitators especially academic advisors during your study even before the interactive session which is by design for revision. Your academic advisors will assist you using convenient technology including Google Hang Out, You Tube, Talk Fusion, etc. but you have to take advantage of these. It is also going to be of immense advantage if you complete assignments as at when due so as to have necessary feedbacks as a guide.

The implication of the above is that, a distance learner has a responsibility to develop requisite distance learning culture which includes diligent and disciplined self-study, seeking available administrative and academic support and acquisition of basic information technology skills. This is why you are encouraged to develop your computer skills by availing yourself the opportunity of training that the Centre's provide and put these into use.

In conclusion, it is envisaged that the course materials would also be useful for the regular students of tertiary institutions in Nigeria who are faced with a dearth of high quality textbooks. We are therefore, delighted to present these titles to both our distance learning students and the university's regular students. We are confident that the materials will be an invaluable resource to all.

We would like to thank all our authors, reviewers and production staff for the high quality of work.

Best wishes.

Professor Bayo Okunade

Director

Course Development Team

Course Writer	E. M. AJALA, Ph.D.
Content Editor	Prof. Remi Raji-Oyelade
Production Editor	Dr. Gloria O. Adedoja
Learning Design & Technologist	Folajimi Olambo Fakoya
Managing Editor	Ogunmefun Oladele Abiodun
General Editor	Prof. Bayo Okunade

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About this course manual

Introduction to Work Place SOW208 has been produced by University of Ibadan Distance Learning Centre. All course manuals produced by University of Ibadan Distance Learning Centreare structured in the same way, as outlined below.

How this course manual is structured

The course overview

The course overview gives you a general introduction to the course. Information contained in the course overview will help you determine:

- If the course is suitable for you.
- What you will already need to know.
- What you can expect from the course.
- How much time you will need to invest to complete the course.

The overview also provides guidance on:

- Study skills.
- Where to get help.
- Course assignments and assessments.
- Margin icons.

We strongly recommend that you read the overview *carefully* before starting your study.

The course content

The course is broken down into Study Sessions. Each Study Session comprises:

- An introduction to the Study Session content.
- Study Session outcomes.
- Core content of the Study Session with a variety of learning activities.
- A Study Session summary.
- Assignments and/or assessments, as applicable.
- Bibliography

Your comments

After completing Introduction to Work Place we would appreciate it if you would take a few moments to give us your feedback on any aspect of this course. Your feedback might include comments on:

- Course content and structure.
- Course reading materials and resources.
- Course assignments.
- Course assessments.
- Course duration.
- Course support (assigned tutors, technical help, etc.)

Your constructive feedback will help us to improve and enhance this course.

Course Overview

Welcome to Introduction to Work Place SOW208

In this course, you will be acquainted with the concept of work place, actions in the workplace and their interdependence on one another. This interplay will be explored through the following topics:

Course outcomes

Outcomes

Upon completion of Introduction to Work Place SOW208 you will be able to:

- *analyse* the theories of industrial relations.
- *discuss* the evolution of trade unions in Nigeria.
- *describe* the growth of employer's association in Nigeria.
- *present* conflict resolution in workplace.

Timeframe

How long?

This is a 15 week course. It requires a formal study time of 45 hours. The formal study times are scheduled around online discussions / chats with your course facilitator / academic advisor to facilitate your learning. Kindly see course calendar on your course website for scheduled dates. You will still require independent/personal study time particularly in studying your course materials.

How to be successful in this course

As an open and distance learner your approach to learning will be different to that from your school days, where you had onsite education. You will now choose what you want to study, you will have professional and/or personal motivation for doing so and you will most likely be

fitting your study activities around other professional or domestic responsibilities.

Essentially you will be taking control of your learning environment. As a consequence, you will need to consider performance issues related to time management, goal setting, stress management, etc. Perhaps you will also need to reacquaint yourself in areas such as essay planning, coping with exams and using the web as a learning resource.

We recommend that you take time now—before starting your self-study—to familiarize yourself with these issues. There are a number of excellent resources on the web. A few suggested links are:

- http://www.dlc.ui.edu.ng/resources/studyskill.pdf

  This is a resource of the UIDLC pilot course module. You will find sections on building study skills, time scheduling, basic concentration techniques, control of the study environment, note taking, how to read essays for analysis and memory skills ("remembering").

- http://www.ivywise.com/newsletter_march13_how_to_self_study.html

  This site provides how to master self-studying, with bias to emerging technologies.

- http://www.howtostudy.org/resources.php

  Another "How to study" web site with useful links to time management, efficient reading, questioning/listening/observing skills, getting the most out of doing ("hands-on" learning), memory building, tips for staying motivated, developing a learning plan.

The above links are our suggestions to start you on your way. At the time of writing these web links were active. If you want to look for more, go to www.google.com and type "self-study basics", "self-study tips", "self-study skills" or similar phrases.

Need help?

Help

As earlier noted, this course manual complements and supplements SOW208at UI Mobile Class as an online course.

You may contact any of the following units for information, learning resources and library services.

Distance Learning Centre (DLC)
University of Ibadan, Nigeria
Tel: (+234) 08077593551 – 55
(Student Support Officers)
Email: ssu@dlc.ui.edu.ng

Head Office
Morohundiya Complex, Ibadan-Ilorin Expressway, Idi-Ose, Ibadan.

Information Centre
20 Awolowo Road, Bodija, Ibadan.

Lagos Office
Speedwriting House, No. 16 Ajanaku Street, Off Salvation Bus Stop, Awuse Estate, Opebi, Ikeja, Lagos.

For technical issues (computer problems, web access, and etcetera), please send mail to webmaster@dlc.ui.edu.ng

Academic Support

Help

A course facilitator is commissioned for this course. You have also been assigned an academic advisor to provide learning support. The contacts of your course facilitator and academic advisor for this course are available at onlineacademicsupport@dlc.ui.edu.ng

Activities

Activities

This manual features "Activities," which may present material that is NOT extensively covered in the Study Sessions. When completing these activities, you will demonstrate your understanding of basic material (by answering questions) before you learn more advanced concepts. You will be provided with answers to every activity question. Therefore, your emphasis when working the activities should be on understanding your answers. It is more important that you understand why every answer is correct.

Assessments

Assessments

There are three basic forms of assessment in this course: in-text questions (ITQs) and self assessment questions (SAQs), and tutor marked assessment (TMAs). This manual is essentially filled with ITQs and SAQs. Feedbacks to the ITQs are placed immediately after the questions, while the feedbacks to SAQs are at the back of manual. You will receive your TMAs as part of online class activities at the UI Mobile Class. Feedbacks to TMAs will be provided by your tutor in not more than 2 weeks expected duration.

Schedule dates for submitting assignments and engaging in course / class activities is available on the course website. Kindly visit your course website often for updates.

Bibliography

Reading

For those interested in learning more on this subject, we provide you with a list of additional resources at the end of this course manual; these may be books, articles or websites.

Getting around this course manual

Margin icons

While working through this course manual you will notice the frequent use of margin icons. These icons serve to "signpost" a particular piece of text, a new task or change in activity; they have been included to help you to find your way around this course manual.

A complete icon set is shown below. We suggest that you familiarize yourself with the icons and their meaning before starting your study.

Activity	Assessment	Assignment	Case study
Discussion	Group Activity	Help	Outcomes
Note	Reflection	Reading	Study skills
Summary	Terminology	Time	Tip

Study Session 1

History of Work

Introduction

This Study Session will expose you to the development of work from the rudimentary levels, to the organised level. In doing so, we will examine the

Learning Outcomes

When you have studied this session, you should be able to:

1.1 *present* an overview on the history of work.

1.1 History of Work

1.1.1 Hunting and Gathering Societies Era

From early creation until about 8000 B.C., human being lived as nomadic hunters and gatherers. The hunting and gathering stage includes about 97% of the collective life of our species and continues in isolated areas even today (Hodson and Sullivan, 1995). Hunters and gatherers did not perceive 'work' as a separate sphere of life. Activities necessary to secure sustenance took place throughout the day and were not clearly distinguished from leisure activities; they did so in a relatively leisurely manner, depending on the circumstances of the moment. People did not work hard because there was no point in creating a surplus. Surpluses of food or possessions could not be stored or transported for future usage. So, work, leisure and socializing formed an integrated flow of activities.

Features of Hunting and Gathering Societies

a. **Existence of Band:** A hunting and gathering band consisted of fifteen to twenty members, depending on the number of people the vegetation and animal life would support existed. The groups hunting and gathering activities in no time eventually depleted the resources in the area around the encampment. The group was always forced to move on. These nomadic movements were cyclical.

b. **Simple technology:** The most important elements of technology were the various skills that each member of the band learned and used. The technology includes furs, lodge poles, bone needles, stone cutters and scrapers, wooden spears, bows and arrow.

c. **Skills**: Most skills were shared in common so that any single member could do all or most of the tasks required of the group as a whole. However, there were rudimentary forms of division of

labour based on gender and age. Young people go along with their elders and perform the function of gathering wood or picking berries. In this way they received the equivalent of modern on-the-job training. Older people who lacked stamina or mobility for hunting and gathering tended the fire and prepared food or made tools.

d. **Gender division of labour**: Women specialized in gathering roots, berries, and other edible plants and in hunting small animals such as rabbits and other rodents. The greater power of men rested on their monopoly over large-game hunting, which provided rare periodic surpluses of meat, and on their control of important activities involving trade and conflict with other groups (Friedl, 1975).

e. **Sharing**: All members shared equally in the food secured from the environment. This arrangement produces optimal benefit for all members because of the unpredictability of hunting and gathering activities. If one person or family were successful on a certain day, they could not store or transport the surplus. Through equal sharing, all members were assured a share of the bounty of others when their own efforts were unsuccessful. Thus, people ate or went hungry together.

f. **Motivation to work**. In hunting and gathering societies, the motivation to work was straightforward. The band lived a day-to-day existence. If one did not engage in purposive activity on a regular basis, then one either went hungry or relied on others to share a portion of their food. Hunger and social pressure to participate in the group's activity provided daily motivation to work. They did not view work as a distinct activity; life as a whole was seen in a sacred context in which the various forces impinging on the group was held in awe and reverence. Work is taken in a spiritual context.

1.1.2 Early Agricultural Societies Era

Agriculture developed independently in several places around the world from 9000 to 3000 B.C. These areas include Southeast Asia, the Persian Gulf, and Mesoamerica (Hodson and Sullivan, 1995). The development of agriculture involved the increasing use of wild grains, such as wheat, barley, corn, and wild tubers and the eventual development of techniques to encourage the growth and yield of these plants. The technologies include the use of the digging stick and, later, the hoe.

Features of Early Agricultural Societies

a. **Surplus**: With the development of agriculture and the domestication of animals came tremendous changes in the organization of society. A surplus of food was produced, though at first it was quite small.

b. **Specialization**: On this scanty basis of surplus, a new social order came into being. Instead of everyone in the society occupying the same role, specialized positions came into being with differentiated activities. The production of everyday goods was carried out mainly by the agricultural worker, while craft

positions specializing in the production of religions, civic as well military goods also developed.

c. **Role play**: Children helped with basic work activities until they were able to take on a fuller role, and the elderly returned to a helping role as dictated by declining strength and stamina. The relative positions of men and women also changed a little. "Since men had been hunting, man were the inventors of systematic herding. Since women had been gathering plants, women were the inventors of systematic agriculture" (Deckard, 1979).

d. **Equality:** Based on their continuing contributions to the household economy, men and women enjoyed roughly equal access to the goods and services produced by society.

e. **Large harvest**: A new element in the peasant's orientation to work was a focus on the importance of bountiful harvests. Agriculturalists sought for large surplus as much possible so as to ensure survival through winter. Agriculturalists could no longer wander in continued search of food, as the nomads had done hence the protection of their harvest, hence they depend on the land they farmed to produce a surplus that would sustain them throughout the year.

f. **Plunder and warfare**: With the accumulation of surplus also came the possibility of plunder by outside groups. This possibility spurred the creation of a warrior class and increased the inward-looking nature of agricultural society (Miller, 1981). That is why men assumed the principal responsibility for war, their role in society increasing in power and importance (Sanday, 1981).

g. **Increased division of labour**: Improvement in agricultural technology gradually allowed more and more people to leave agricultural work. These improvements included terracing and irrigation, the increased use of animal and human fertilizer, and advances in metallurgy that led to the proliferation of metal tools (Lenski, 1966).

1.1.3 Imperial Societies Era

Imperial societies were based on the subjugation of smaller and weaker agricultural societies by larger and more militaristic societies and the extraction of food, goods, and slaves as attribute. Based on the subjugation of these smaller societies and an improvement in agricultural technology, the classical empires grew to immense size. Imperial societies gave rise to the first large cities. In these cities, several thousand people lived off the agricultural surplus of the subjugated areas. New craft skills were developed in the cities to produce more refined products for the rising tastes of the empires rulers, officials and attendants.

Features of Imperial Societies

a. **Slave labour and free labour**: As much as two-thirds of craft work in the classical empires was done by slave labour (Childe, 1964). Due to the ready availability of slave labour, few

      technological advances occurred in craft production during the period of classical civilization.

b.   Fermentation of guilds to regulate the standards of their trade and provide religious and social services for their members. Guild membership was restricted almost exclusively to men. Guilds were important to the role of organizing production throughout the middle ages.

c.   There was the end of classical civilizations. People left the large cities and returned to rural areas during the early 800s. However, agricultural work was no longer undertaken by independent cultivators who were members of agricultural societies or by slave labour employed in large holdings. Instead, it was organized around large estates in which local landlords ruled from fortified manors.

1.1.4 Feudal Society Era

Here, the majority of people still tilled the land in the same traditional ways. However, the way in which agricultural surplus was extracted from peasants changed. In simple agricultural imperial societies, peasants gave up a portion of their crops as tax to feed the rulers, priests, and warriors, or they were forced to work as slaves. In feudal societies, landlords extracted surplus both as a share of the peasants' crops and in the form of forced labour on the landlords' land. The latter imposition was called *corvee labour* and peasants working under the feudal system were called *serfs*.

Features of Feudal Society

a.   **Extreme inequality**: Incremental improvements in technology increased agricultural productivity. The ruling class absorbed the additional surplus in what was perhaps the most extreme period of inequality of human history. Historians have estimated that between 30% and 70% of serfs' crops were expropriated in the form of taxes or duties by feudal lords or by the Catholic Church. This extreme inequality extended even to the relative shares of income among the nobility (Lenski, 1966).

b.   **Growth of Artisans and Guilds**: During this period, there developed a new class of producers known as the free artisans. Artisans were typically the sons and daughters of serfs who had escaped the rural servitude of their parents and had moved to a town or "bourg". The trades of artisans included baking, weaving, and leather working. Instead of performing these various activities as part of their daily round of duties, the artisans specialized in a specific trade, producing superior goods for the other town dwellers, who included church officials, soldiers and merchants engaged in intercity trade.

c.   **Guilds formation:** The practitioners of the various crafts formed guilds for their mutual benefit. These guilds regulated the quality of goods, acceptable hours of work, and even prices. Merchants, too, organized themselves into guilds to regulate and standardize their activities. Prices, hours, and first rights to bid on cargo were among the many regulated practices (Tansky, 1984).

d. **Training of apprentices**: The training of new artisans was strictly controlled by the guilds with the aim of regulating quality and thus protect the reputation and status of the guild's trade. Apprentices were recruited from the extended families of artisans within the trade, from other artisans' families, and from rural areas. After years of on-the-job training in the various aspects of the trade, the apprentice would produce what was judged to be a masterpiece and would then be admitted formally to full guild membership as a master craftsman.

e. **Disappearance of slave labour**: Massive public works constructions (structures) were constructed by skilled artisan workers, such as masons, carpenters, blacksmiths, plumbers and glaziers. The use of free skilled labour for these construction projects provided an additional boom to the growth of the artisanal classes during the middle ages.

f. **A new vision of work**: The guilds encouraged group solidarity to lessen the danger of being undercut in limited market by price-cutting or by the sale of shoddy merchandise. The ideas of group equality and group solidarity among guilds would later help inspire the revolutionary demands of the artisans and the peasants as they sought to overthrow feudal society and install a society based on freely producing craft labour.

g. **Economic expansion and the end of feudal society**: Many changes led to the passing of feudal society and the transition to modern industrial society. The transition from feudal society to industrial society was brought about by an expansion of population, trade, and markets. Between the years 1000 and 1500, more than a thousand new towns sprang up in Europe. Connected by usable roads, these towns provided the basis for regional specialization based on the unique resources of different regions (Kranzberg and Gies, 1986).

From this point, we will be discussing the nature of work from the standpoint of more organized societies.

1.1.5 Merchant Capitalism Era

The period between feudal society and industrial society was one in which increased trade provided the impetus for changes in the organization of work. This intermediate period, merchant capitalism, lasted from the fourteenth century to the advent of the first modern factories in England in the mid-eighteen century.

Under merchant capitalism, the merchant capitalist increasingly took over the role of organizing trade. Merchants monopolised lucrative intercity markets for finished goods or for agricultural products.

Features of Merchant Capitalism

a. **The Merchant as Labour Contractor:** The system of production under merchant capitalism was called *putting-out-industry* because the merchant would "put out" the raw materials to be worked up and would later collect the finished products to

be sold. In essence, craft-workers were subcontractors for merchants and were paid a piece rate for their work.

Apprentices and journeymen who could not find employment as artisans because of the encroachment on craft markets by the merchant capitalists were also recruited into the putting-out system. In rural areas, this, system was called cottage industry, in urban areas it was called sweated production. It is sweated production because the work typically took place in the attics of people's homes where it was hot, cramped, and often dirty.

b. Putting-out system was successful because it undercut the pricing structure of guild regulations. The artisan made a full range of goods in his trade.

c. The guilds resisted the putting-out system by implementing civic laws regulating the number of journeyman or apprentices that one person could employ. However, the merchant capitalists' control of the intercity markets and their flexibility in putting out work to rural areas afforded them options unavailable to the craftmen of any given city. As a result, the putting-out system eventually replaced the guild system in the manufacturing of many basic commodities, most importantly in textiles.

d. The social relations of work were profoundly transformed by the putting-out system. In a place of free artisans, two classes emerged with distinct and even antagonistic relations: the merchant capitalists and those whom they employed in the putting-out system. The merchant capitalists sought to pay as little as possible for each type of work they put out. Those who worked under this system sought to secure a living wage for their labour, a goal often hampered by the availability of cheaper labour in another city or region.

e. The daily lives of artisans were dramatically affected by the advent of merchant capitalism. Wages fell for craftsmen as they were forced to cut their prices to retain a share of markets (Hobsbawm, 1969). Their hours of work increased and their positions as members of the middle class were gravely threatened. Even the average age of marriage among journeymen increased substantially at this time because of the difficulty of securing a position as a master craftsman who could support a family (Aminzade and Hodson, 1982).

f. **Women employment**: Under the guild system, women had worked as helpers in their husband's crafts and sometimes as members of their own guilds, though generally at lower earnings (Deckard, 1979). Under the putting-out system, women were often employed directly by merchant capitalists, who used their low wages as leverage to undercut artisanal wages. By working at home, women were able to combine various forms of productive activity including paid work, domestic activity, and care for children. Because paid work was only one part of their productive activity, they were often willing to undertake this work for lower wages than urban artisans, who needed to secure their entire livelihood in this way (Tilly and Scott, 1978).

g. **Emergence of new Theology**: Merchant capitalism witnessed the emergence of new theologies based on the thought of Martin Luther and John Calvin. These theologies gave birth to a new vision of work sometimes called the protestant work ethic (Weber, 1958). This vision identifies successful pursuit of one's occupational calling with spiritual grace. If one prospers through diligent and pious work, this prosperity is seen as evidence that one is among those chosen to go to heaven. The protestant work ethic was compatible with the emerging worldview of the merchant capitalist, who was engaged in a competitive struggle for success on earth. This ethic identifies worldly success as a sign of spiritual grace and provides both a justification and a motivation for the pursuit of earthly endeavours.

h. **Displacing Agriculture with Industry:** The transition from putting-out industry to industrial capitalism was a violent one. It involved the forcible movement of large numbers of peasants off the land and into factories. Peasants were forced off the land through "enclosures", in which land previously held in common by the peasants and the landlord and used for grazing livestock was enclosed with fences (Hobsbawm, 1969). The land was then used for raising sheep. This change caused a dramatic deterioration in the situation of the peasants, who were no longer able to use this land to support their few farm animals. After the peasants had been forced off the land to make room for sheep, they were further hounded as vagabonds until they entered the early factories, often as forced labour.

1.1.6 The Factory System Era

Factories signalled an end to merchant capitalism, which was based on expanding production by putting-out work to more and more home-based workers, and ushered in the next stage of society and economic history – industrial capitalism. People refused to enter early factories except under the force of law. The early factories operated on the following principles:

i. Workers were centralized under one roof in the factory system. Such centralization avoided the costs of transporting partly finished goods from one location to another as in the putting-out system. It also forced workers to work according to the dictates of the owners rather than according to their own pace and rhythm.

ii. The centralization of work meant that in order to have access to any work at all, a worker had to be willing to work the hours and days demanded by employer. The result was an increase in the length of the working day, an increase in the intensity of work, and a decrease in the number of religious and personal holidays allowed.

iii. The centralization of workers in one place allowed for the development of machinery to do repetitive tasks. A seemingly endless variety of tasks could be broken down into their simplest components and mechanized. Thus, the social organization of the factory encouraged the introduction of machinery.

iv.   Machinery increased productivity but at lowered wage for workers because fewer skills were needed. Increased productivity and decreased cost allowed factory owners to sell their products at prices that undercut artisanal producers and merchant capitalists. These dynamics resulted in the increasing dominance of factory production over older forms of production.

Features of Factory System

a.   First detailed division of labour: The division of labour into better activities advanced more dramatically during this period than in any other in history. A good example is that illustrated by Adam Smith (1937) in the production of pin.

b.   Work was organized under the supervision of foremen: These foremen were more similar to subcontractors who like their assistants, trained them in their task, set them to work, supervised them on the job, and paid them out of the piece-rate earnings they received for the goods produced.

c.   The rights of those who laboured at this time were minimal: Slavery and indenturement were common. Indentured labourers were workers under contract to work for a certain amount of time for a set price or as part of their penalty for being found guilty of a crime such as petty theft or vagabondage.

d.   Women and children played a central role in the early Industrial Revolution. They were employed because it was acceptable to pay them much less than men and because they were easier to bully into the harsh discipline of mechanized production. Young women were also considered more expendable to agricultural work and were thus more likely to be available for factory work (Hodson and Sullivan, 1995). It should be noted that given the condition of early factory work, it would be inaccurate to consider the participation of women at this time as a sign of their emancipation (Kesler-Harris, 1982).

e.   Inside the factories, the round of daily life was extremely monotonous. Routine work is carried out daily and the hours of work were extremely long. As a result, workers laboured from before dawn well into the night (Hobsbawm, 1969).

f.   Introduction of factories separated work from the home. If people were to have the opportunity to work, they had to leave the family and venture out alone (Pleck, 1976). The removal of work to the factory undermined the family's function as the primary unit of economic production.

g.   Loss of pride of craftsmanship. Centralized work in factories under close supervision, with machines dictating the pace, robbed workers, of the skills and autonomy necessary to take pride in their work. It is no wonder that early factory workers were alienated and resentful (Wilensky and Lebeaux, 1986).

1.1.7 Post-Industrial Society Era

Post-industrial society is a transition from mass production stage and it reflects an increasingly international division of labour which has reduced the significance of local markets and economies. The economic health of every nation is highly dependent on its position in the world economy. Thus, the nature and rewards of work are not solely determined by relations with others in one's work group or employing organization. Rather, the nature of one's work is importantly determined by its position in the world economy.

Features of Post–Industrial Society

a. Service Industries. Work in post-industrial society includes only a very small number of people engaged in agriculture. This number is slowly decreasing toward 2% of the labour force in the United State (Carey and Franklin, 1991). A larger proportion of people, about 30% are engaged in manufacturing, while the remainder 68%, are in service industries (Hodson and Sullivan, 1995).

b. The number of highly skilled professional workers has also increased in postindustrial society. These workers hold a privileged position in the division of labour based on the possession of knowledge and expertise not widely available without rigorous, extended study and preparation. As a result of their expertise, they can command relatively high wages as well as a certain degree of autonomy in decision-making (Abbott, 1998).

c. There is class structure in postindustrial society. There exist a capitalist class, in managerial class, a large mental class, a large professional class, and a large service class. The disparate situations of these classes include both relative opulence and continuing poverty.

d. Work motivation. The introduction to welfare systems into postindustrial societies motivates workers to work. Other motivators are high level of rewards (for those with high education/training qualification), workers are committed to their jobs when motivated. Being committed to one's profession or to one's organisation provides a meaningful orientation to work for a significant portion of the labour force in postindustrial society.

e. Women Liberation. The positions of women in postindustrial society have improved. Women now entered jobs that were once exclusively preserved for men. The jobs include airplane pilot, firefighter, heavy-equipment operator, mining etc. The improved position of women is partly due to the reduction in the demands on women to perform homemaking duties and increased role of graduation at higher education levels.

Study Session Summary

Summary

In this Study Session, we discussed the developmental stages of modern work starting from the characteristics of the hunting and gathering societies, to early agricultural societies, to imperial societies, and feudal society. These are the early stages of work development.

We also looked at the organized forms of work development. We explored the history of work from the merchant capitalism stage, to the factory system and finally the post industrial society.

Study Session 2

Theories of Industrial Relations

Introduction

In explaining the various theories of industrial relations, it must be noted that classifications are sometimes done, however such classifications are the convenience of the author. In this Study Session, we will examine the two classifications of industrial relations namely: classical perspective and radical perspective.

Learning Outcomes

When you have studied this session, you should be able to:

2.1 *discuss* the following classical theories of industrial relation:
- unitary theory
- conflict theory, and
- pluralist theories

2.1 Classical Perspectives

2.1.1 Unitary Theory

The essence of the unitary theory of industrial relations, held by Halford Reddish in a memo submitted to the Donovan Commission in 1966 and others, is that every work organization is an integrated and harmonious whole existing for a common purpose. They assume that each employee identifies unreservedly with the aims of the enterprise and with its methods of operating. By this view, everyone in an organization shares a common purpose and all are committed to these objectives. This automatically excludes the existence of conflict in any form and certainly any institutional recognition of it.

By definition the owners of capital and labour are joint partners to the common aims of efficient production, high profits and good pay in which everyone in the organization has a stake. It follows that there cannot be 'two sides' in industry. Indeed managers and manage alike are merely parts of the same 'team'. This team, however, is expected to be provided with strong leadership from the top to keep it working and to ensure commitment to the tasks to be done and to its managerial office holders.

Unitary theory expect that management at minimum must have a paternalistic approach towards employees or at the extreme an authoritarian approach, together with a suitable communication structure

to keep employees informed of managerial decisions. On the other hand, employees are expected to remain loyal to the organization and to its management in deference to the common problems facing managers and subordinate alike. So according to Fox (1966), unitary theory shows team spirit and undivided management authority co-exist to the benefit of all. In short, work organization is viewed by unitary theory as been unitary in structure and purposes having a single source of authority and a set of participants motivated by common goals. Therefore, industrial relations is assumed to be based on mutual cooperation and harmony of interest between management and workers within the enterprise.

Implications of Unitary Theory

1   Factionalism within the enterprise, or in a part of it, is seen as a pathological social condition. Subordinate employees are not expected to challenge managerial decisions or the right to manage, while trade unionism is viewed as an illegitimate intrusion into the unified and co-operative structure of the workplace. The theory further confirms that trade unionism competes almost malevolently with management for the loyalty and commitment of employees to their employer.

2   Unitary theory refused to accept the existence of conflict at work whether between management and employees, between management and unions, or even between the organization and its customers. When conflict does arise, it is the result of the system not working properly, not that the system itself is flawed. Conflict may arise because of:

   a.   mere friction due to poor leadership given by management;

   b.   breakdown in communication about aims or methods;

   c.   failure to grasp the communality of interest; or

   d.   resistance of employees.

3   Collective bargaining and trade unions are therefore perceived as being anti-social mechanisms, since acceptance of two opposed and competing interest group within the enterprise in the person of management and union representatives only precipitate and crystallizes unnecessary and destructive industrial conflict between what in effect are viewed as two non-competing, cooperative parties. This idea contradicts the social function of trade unions.

4   The unitary theory of industrial relations is predominantly managerially oriented in its inception, in its emphasis and in its application. Many managers identify with this because it assures them of their roles as organizational decision makers and legitimizes the acceptance of their authority by subordinate employees.

2.1.2 Conflict Theory

This is based on the premise that conflict exists in society and in organizations and it is essential to recognize this and to have a framework that deals with it. In organizations, conflict arises because of the differing values and interests of management and employees. Unions emerged to

represent the views of workers, which were different from those of the owning group. The whole basis of collective bargaining is that employers and employees have to resolve their differences and various institutions emerged to serve this purpose. In order to resolve difficult problems, which could not be resolved between the parties themselves, there emerged various institutions and processes to resolve conflict externally. The basis for these various facets of industrial relations is the recognition of conflict.

Another angle towards the conflict theory is that work organizations are microcosms of society. Since society comprises a variety of individuals and of social groups, each having their own social values and each pursuing their own interests and objectives, it is argued, those controlling and managing work enterprises similarly have to accommodate the differing values and competing interests within them. It is only by doing this that private or public enterprises can function effectively. Industrial relations between employers and unions and between managers and trade unionists are an expression of the conflict and the power relations between organized groups in society generally. As such, it is claimed, industrial conflict between managers and their subordinates has to be recognized as an endemic feature of work relationships and managed accordingly (Farnham and Pimlott, 1993).

2.1.3 Pluralism

Clegg (1975) said that the idea of pluralism emerged as a criticism of the political doctrine of sovereignty that somewhere in an independent political system there must be a final authority whose decisions are definitive. Not so, said the pluralist. Within any political system, there are groups with their own interests and beliefs, and the government itself….depends on their consent and cooperation. There are no definitive decisions by final authorities: only continuous compromises.

A plural society, in other words, is a relatively stable one but not static. It has to accommodate to different and divergent pressure groups to enable social and political changes to take place constitutionally. This is achieved through negotiation, concession and compromise between pressure groups, and between many of them and government.

It is from this analysis of political pluralism that industrial relations pluralism is derived. Just as society is perceived as comprising a number of interest groups held together in some sort of loose balance by the agency of the state, so work organizations are viewed as being held in balance by the agency of management. The pluralist concepts of political sovereignty and of managerial prerogative have much in common. Trade unions are viewed as the legitimate representatives of employee interests at work with the right to challenge the right to manage. There are also, it is suggested, similarities between the processes of political concession and compromise, on the one hand, and of collective bargaining on the other. Above all, the pluralist argues, greater stability and adaptability is given to industrial relations by collective bargaining than by shacking and outlawing trade unions (Clegg, 1975).

According to pluralist theory, the central feature of industrial relations is the potential conflict existing between employer and employed and

between management and managed within work enterprises. Unlike unitary theory, however, trade unionism is accepted as having both a representative function and an important part in regulating conflict, rather than in causing it. Similarly, collective bargaining is recognized as being the institutional means by which conflict between employers and employees is regularized and resolved. Industrial conflict, therefore, is accepted by pluralists not only as being inevitable but also as requiring containment within the social mechanisms of collective bargaining, conciliation and arbitration.

Criticism of Pluralist Theory

1   Some writers' belief that those working within the pluralist framework implicitly accept the institutions, principles and assumptions of the social and political *status quo* as unproblematic. In doing so they add their professional status, personal prestige, and influential involvement in public policy making the forces and influences which lead subordinate groups to continue seeing the *status quo* as legitimate, inevitable, unchangeable, 'only to be expected' (Fox, 1973).

2   Pluralism is also seen as a conservative approach to industrial relations. They believe that the changes it seeks to promote are ones designed to bring about the more effective integration of labour into the existing structure of economic and social relations, in industry and the wider society, rather than ones intended to produce any basic alteration in this structure (Goldthorpe, 1974).

3   Nevertheless, despite its critics and a renascent neo-unitarism, industrial conflict theory remains a major theoretical approach to industrial relations in Britain. Yet whilst collective bargaining fits easily into pluralist theory, consultation or joint problem solving does so to a lesser extent. For this reason it is useful to distinguish between 'hard' pluralism and collective bargaining, which are conflict centred, and 'soft' pluralism and joint consultation, which are problem centred.

2.2 Radical Theories of Industrial Relations

2.2.1 Social Action Theory

Social action theory in industrial relations emphasizes the individual responses of the social actors such as managers and union representatives to given situations. Social action theory is pre-eminently associated with the studies of Max Weber. According to Weber, action is social 'by virtue of the subjective meaning attached to it by the acting individual. . . it takes account of the behaviour of others and is thereby oriented in its course' (Weber, 1896). He insists that in order for social actions to be explained, they must be interpreted in terms of their subjectively intended meanings, not their objectively valid ones. If only observable behaviour is examined, it is argued, the significance and value which individual actors place upon their behaviour are likely to be misinterpreted.

Social action, then, is behaviour having subjective meaning for individual actors, with social action theory focusing on understanding particular actions in industrial relations situations rather than on just observing explicit industrial relations behaviour. In emphasizing that social action derives from the personal meanings which individuals attach to their own and other people's actions, social action theorists are suggesting that social actors are constrained by the way in which they construct their own social reality. 'On the one hand, it seems, Society makes man, on the other, Man makes society' (Silverman, 1970). Individual actors, however, do not share the same value systems which 'mean that individuals attach different meanings to their interactions' (Kirkbride, 1977). Managers and shop stewards, for example, do not come together because they have the same goals and values 'but because, for a while at least, their differing ends may be served by the same means (Silverman, 1970).

Figure 2.1 below shows the main influences affecting individual choice and social action.

Fig 2.1 The main influences on individual's social action.
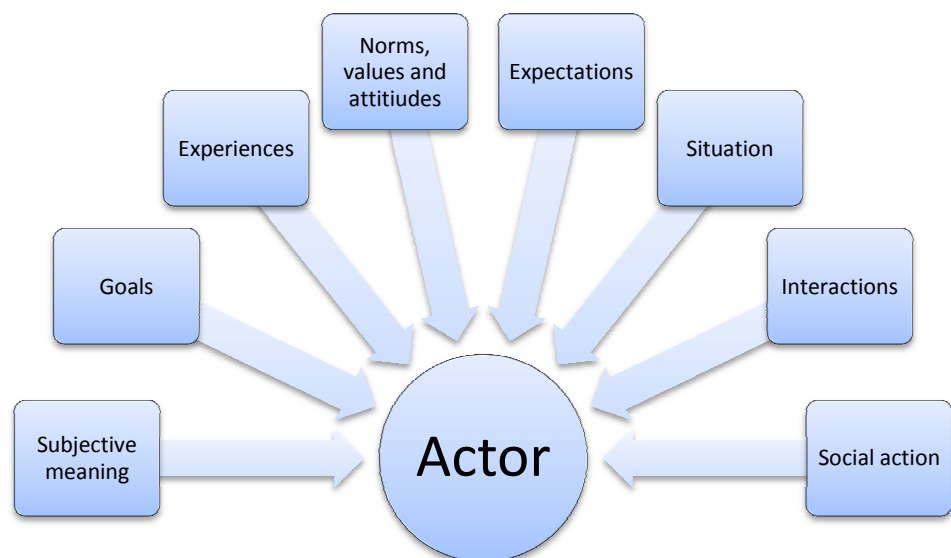
The fundamental point is that social action emerges out of the meaning and circumstances attributed by individuals to particular social situations, thereby defining their social reality. Through interaction between actors, such as that between personnel managers and shop stewards, line managers and personnel specialists, stewards and their members, individuals as well as having an element of choice in interpreting their own roles, and in acting out their intentions, also modify, change and transform social meanings for themselves and others. The major difference between a social action approach in examining behaviour in industrial relations and a systems approach is this: action theory assumes an existing system where action occurs but cannot explain the nature of the system, while the Systems approach is unable to explain satisfactorily why particular actors act as they do (Silverman, 1970). The first views the industrial relations system as a product of the actions of its parts, the other aims to explain the actions of its parts in terms of the nature of the system as a whole.

Criticisms of Social Action Theory

1. Marxists argue that those supporting the action frame of reference neglect the structural influences of which the actors themselves may be unconscious. Whilst the consciousness of individual actors in the industrial relations system towards its politico-economic structures can be to some extent autonomous, it is limited in practice. This is because definitions of reality are themselves socially generated and sustained, and the ability of men to achieve their goals is constrained by the objective characteristics of their situation (Hyman, 1977).

2. Perhaps the most useful feature of social action theory in industrial relations is the way in which it stresses that the individual retains at least some freedom of action and ability to influence events, however, the structures of the industrial relations system may influence the actions of its actors, actors in turn also influence the system as a whole, including its outputs.

2.2.2 Marxist Theory

Marxist interpretations of industrial relations are not strictly a theory of industrial relations per se. Marxism is, rather, a general theory of society and of social change with implications for the analysis of industrial relations within capitalist societies. Marxist analysis, in other words, is essentially a method of social inquiry into the power relationships of society and a way of interpreting social reality. It is not a definitive political creed. Indeed there are a number of different schools of Marxist scholarship, social thought and political action. This means that Marxist thinking is neither necessarily dogmatic nor monolithic, although it can be sectarian. Hence it is not strictly accurate to refer to a Marxist theory of industrial relations. To understand the relevance of Marxist theory to industrial relation, it is necessary to separate the main features of general Marxist analysis which contribute to its special character as a means of interpreting relations between the capitalist class and wage earners. Further, Marx himself wrote comparatively little about trade unionism and collective bargaining, basically because neither of these institutions were firmly established in Britain when he was studying nineteenth-century capitalist development. Thus the application of Marxian theory as it relates to industrial relations derives indirectly from later Marxist scholars rather than directly from the works of Marx himself.

The starting points for the Marxist analysis of society are the assumptions that: social change is universal; class conflict is the catalytic source of such change; and these conflicts, which arise out of differences in economic power between competing social groups, are rooted in the structures and institutions of society itself. Relations between social groups, in other words, are perceived as being not only dominated by pressures for change, but also encompassed by inevitable internal contradictions which must eventually transform the class-based nature of pre-capitalist and capitalist societies. The conceptual method by which Marxists examine the dynamic character of social relations is described as 'dialectical materialism'.

When reality is viewed dialectically it is seen as a process involving interdependent parts which interact on each other. When reality is also viewed materialistically, it is seen as phenomena predominantly influenced by economic factors. The dialectical relationship between economic factors, therefore, provides the prime motivation for change. This briefly is what Marxist in the first instance is about (Allen, 1976).

Dialectical materialism, in other words, assumes that a society's social and political institutions grow out of its economic infrastructure or power base, and that it is from the dialectical conflict between social classes with opposed economic interests that social change take place.

For Marxists, the capitalist or bourgeois state is only one stage in the evolution of human society. The first stage is primitive communism. Feudalism emerges out of this and from feudalism capitalism develops. The significance of capitalism, in the Marxist view, is that it is a changing phenomenon which has not done away with class antagonisms but has given rise to new social conflicts within society, those between the 'bourgeoisie' and the 'proletariat'. The contradictions which persist between those who privately own the means of production in the pursuit of profit, on the one hand, and those who have to sell their labour for wages to survive, on the other, are thus perceived as being irreconcilable in the context of a class-based bourgeois society.

For Marxists moreover, unlike pluralists and unitarists, political and class conflicts are synonymous with industrial conflict since the capitalist structure of industry and of wage-labour is closely connected with the pattern of class division in society (Hyman, 1975). Thus the conflict-taking place in industrial relations between those who buy labour and those who sell it is seen as a permanent feature of capitalism, merely reflecting the predominant power base of the bourgeoisie and the class relations of capitalist society generally. By this view:

Class conflict permeates the whole of society and is not just an industrial phenomenon. In the same way, trade unionism is a social as well as industrial phenomenon. Trade unions are, by implication, challenging the property relations whenever they challenge the distribution of the national product. They are challenging all the prerogatives which go with the ownership of the means of production, not simply the exercise of control over labour power in industry (Allen, 1971).

Fig 2.2 Marxist theory and social change

- Primitive communism
- Feudalism
- Capitalism
- Class war
- Dictatorship of the proletariat
- Socialism
- Classless society
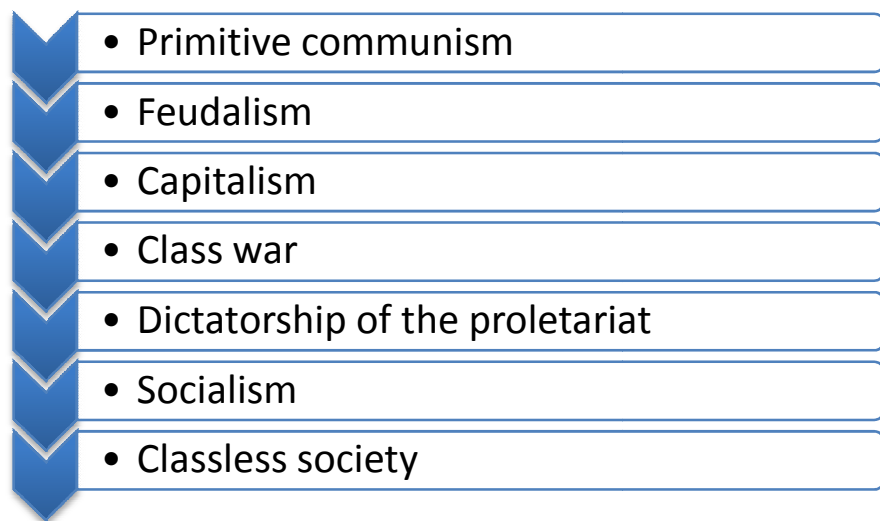
Implications of Marxist Theory

1 There are both short-term and long-term implications in the Marxist analysis of bourgeois society and of the class-based structure of capitalist industrial relations. Within society, for example, the class struggle between capital and labour is regarded as being continuous – even where trade unions are absent. It takes place, it is argued, because capitalists and proletarians seek to maintain and to extend their relative positions in the economic power structure enabling 'surplus value' to be distributed between them. Such conflict is seen to be unremitting and unavoidable. Neither employees individually nor trade unions collectively can be divorced from the realities of these power relations, either by disregarding them or by succumbing to the manipulative techniques of employer persuasion.

2 Trade union organization is viewed as the inevitable consequence of the capitalist exploitation of wage labour. The vulnerability of employees as individuals invariably leads them to form collectivities or unions in order to protect their own class interests, although many Marxists do not believe that trade unions in themselves provide the basis for revolutionary action. Collective bargaining and militant trade unionism, however, cannot resolve the problems of industrial relations in capitalist society. They merely accommodate temporarily the contradictions inherent within the capitalist mode of production and social relations. Indeed the continuous relationship of conflict, whether open or concealed, 'stems from a conflict of interests in industry and society which is closely linked with the operation of contradictory tendencies in the capitalist economic system (Hyman, 1975).

3 More significantly, industrial relations become not an end in themselves, but a means to an end – the furtherance of the class war between capital and labour, for by Marxist analysis, bourgeois society inevitably gives rise to political revolution by the proletariat. Out of this emerge a dictatorship of the

proletariat, then socialism and ultimately the communism of the classless society. Trade unionism and industrial relations conflict are merely symptoms of the inherent class divisions within capitalism. They are, Marxists, contend, a main element in the working-class struggle against capitalist exploitation, and in the eventual emergence of a socialist economy, followed by utopian communism.

2.2.3 The System Theory

A different approach to providing a framework for understanding industrial relations is the system approach. System approach was postulated by an American John T. Dunlop in his book "Industrial Relations System" published in 1958. His aim was to present a general theory of industrial relations and to provide tools of analysis to interpret and to gain understanding of the widest possible range of industrial-relations facts and practices.

An industrial relations system is not, for Dunlop, part of a society's economic system but a separate and distinctive subsystem of its own, partially overlapping the economic and political decision-making systems with which it interacts. In his view, systems theory provides the analytical tools and the theoretical basis to make industrial relations an academic discipline in its own right.

According to Dunlop, it is this network or web of rules, consisting of procedures for establishing the rules, the substantive rules themselves, and the procedures for deciding their application to particular situations, which are the products of the system. The establishment and administration of these rules is the major concern or output of the industrial-relations subsystem of industrial society (Dunlop, 1958). These rules are of various kinds and may be written, oral or custom and practice. They include managerial decisions, trade union regulations, laws of the state, awards by governmental agencies, collective agreements, and workplace traditions. Furthermore, they cover not only pay and conditions, but also disciplinary matters, methods of working, the rights and duties of employers and employees and so on. It is the 'rules' of industrial relations which have to be explained by the 'independent' variables of an industrial relations system.

As can be seen from figure below, there are three sets of independent variables or factors in an industrial relations system: the 'actors', the 'contexts' and the 'ideology' of the system.

Fig 2.3 Simple model of an industrial relations system.

Source: J. T. Dunlop, Industrial Relations Systems (Southern Illinois University Press, 1958).
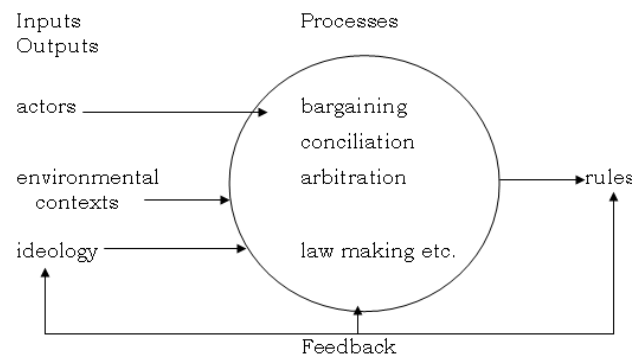
From the figure above, Dunlop identified three independent variables or factors in an industrial relations system: the actors, the contexts and the ideology of the system.

a. **The actors:** These are the people and organizations involved in the system. This includes the hierarchy of managers and their representatives; a hierarchy of non-managerial employees and their representatives, and the specialized third-party agencies whether governmental or private which operate within the system.

b. **The contexts:** These are the main elements of the environment within which the system operates. These include the technological aspects, the budgetary and market constraints and the locus of power in society. Dunlop regarded technology as being particularly important and having far-reaching consequences in determining industrial relations rule making. Technology, for example, affects the size of the workforce, its concentration or dispersion, its location and proximity to the employees' places of residence, and the duration of employment. It also influences the proportions of skills in the workforce, the ratio of male to female workers, and health and safety at the place of work. An industrial relations system also has to adapt to the product markets or to the budgetary constraints of the enterprise. Although these impinge on management initially, they ultimately concern all the actors in a particular system. Such constraints may be local, national or international. Dunlop considers, for example, the balance of payments to be a form of market constraint for national systems of industrial relations. Furthermore, in Britain, voluntary organizations like charitable trusts and nationalized industries are no less constrained by budgetary forces, for example, than are private businesses. These constraints are no less operative in planned economies than in market economies.

c. By the locus and distribution of power in the larger society, Dunlop means the distribution of power outside the industrial relations system which is given to that system. This is important because the relative distribution of power in society tends to be reflected within the industrial relations system itself. Yet it need not necessarily determine the behaviour of the actors in industrial relations. It is, rather, a context which helps to structure the

industrial relations system itself. The distribution of power within the larger society is particularly likely to influence the state's specialist industrial relations agencies. National industrial relations systems reflect such societal power.

d. **The ideology of the system:** This is the set of beliefs held by the participants that allow them to operate the system. According to Dunlop (1958), the ideology of the industrial-relations system is a body of common ideas that defines the role and place of each actor and that defines the ideas which each actor holds towards the place and function of the others in the systems.

e. The ideology of an industrial relations system, he says, must be distinguished from that of the wider society. Nevertheless, they would be expected to be similar or at least compatible with each other. Each of the main sets of actors in an industrial relations system might even have its own ideology. But the hallmark of a mature industrial relations system is that its constituent ideologies are sufficiently congruent to allow the emergence of a common set of ideas which recognize an acceptable role for each in the system. In this respect, Dunlop quotes the ideology of voluntarism, or legal abstentionism, as being traditionally accepted by the parties in the British system of industrial relations.

Criticism of the System Theory

1. Writers have criticized System theory for lack of analytical rigour and having static view of industrial relations. They have suggested that the model requires refinement and development. They argued that Dunlop's systems theory use the term 'system' in a too loose and undefined manner.

2. In concentrating on the structural or static features of industrial relations, system theory has omitted to provide a framework for analyzing the processes or dynamics of industrial relations decision-making.

3. Little emphasis is placed upon the actor's definitions of social structure and how the interaction between structure and definition influence (social) action (Fatchett and Whittingham, 1976).

4. Some writers in industrial relations rejected the system theory because they associated system theory with consensus theories, which assumes that there are no long-term fundamental divisions of interest on society. These writers hold the opposing view that conflict is endemic in capitalist societies and that it is manifested in industrial relations situations where the confrontation between capital and labour is most apparent.

Study Session Summary

Summary

In this Study Session, we discussed the classical theories of industrial relation into: unitary theory; conflict theory and pluralist view point of conflict theory. Criticisms of these theories were equally looked into.

We also explored the strengths and weaknesses of the radical school of thought in theories of industrial relations. Theories discussed are: social action theory; Marxist theory and the system theory.

Study Session *3*

Trade Units

Introduction

The emergence of wage employment and the formalization of work relations which accounted for the birth of industrial relations system also saw to the development of a lot of institutions that are saddled with the responsibility and structuring of the employer-employee relationships. Trade unions fall into the categories of one of the earliest institutions to perform such functions. We will be examining the meaning, aims and functions of trade unions in this Study Session.

Learning Outcomes

When you have studied this session, you should be able to:

3.1 *define* trade union.

3.2 *discuss* the aims of trade unions.

3.3 *explain* the functions of trade unions.

3.1 What is a Trade Union?

Webb and Webb (1897) defined a trade union as a continuous association of wage earners for the purpose of maintaining and improving the conditions of their working lives. Webb's definition implies a permanent association rather than one which is created for a particular purpose and disbanded at a later date. This definition bring to fore three elements:

a. continuity or relative permanency of organization;

b. a goal (purpose_ - improving conditions;

c. employment – the economic and authority relationship between two parties (workers and employers) (Otobo 2005).

The aforementioned three elements were reflected in the definition of Trade Union as given by Nigerian Trade Union Act 1973, Section 1 as:

> any combination of workers or employer, whether temporary or permanent, the purpose of which is to regulate the terms and conditions of employment of workers whether the combination in question, would or would not apart from this Act, be an unlawful combination by reason of any of its purpose being in restraint of trade and whether its purposes do not include the provision of benefits for its members.

Otobo (2005) defined a trade union as a continuous organization of employees that seeks to maintain and improve the terms and conditions of

employment through collective bargaining representation with the employer (from which it remains autonomous) and through other means.

In trying to define a trade union, Poole (1981) looked at what a trade union stood for. These are:

    a. moral institutions (in the sense of focusing on such ideals as "brotherhood of man", more than just distribution of wealth, justice etc);

    b. part of a revolutionary tradition (the role of social consciousness in determining the economic, political and social action in the transformation of capitalist society to a socialist one as reflected in the writings of Karl Marx and others);

    c. a 'psychological' or defensive reaction to early conditions of industrialism (the influence of harsh industrialism on the formative period of unions and thus outlook or perceptions of members regarding jobs, skills and outsiders);

    d. as institutions shaped by economic forces and essentially 'business' or welfare in outlook (the economic conditions), and

    e. political organizations in the two senses of being part of the democratic process and of reflecting strategic change in the balance of power between working people, employer and governments.

Green (1994) mentioned the following characteristics which define a trade union thus:

    a. a statement that the organization is a trade union (in a similar way that a company has to make a statement in order to become a public limited company);

    b. registration with the certification officer as a trade union which accord it a special legal status;

    c. independence from the employer, which may be evidenced by a certificate of Independence from the Certificate Officer;

    d. affiliation to the Central Body or Centre;

    e. its principal aim being that of maintaining and improving the conditions of its members;

    f. the possible use of sanctions to further its aims i.e. taking industrial action.

3.2 Aims of the Trade Union

The Trade Union Congress (TUC) in Britain, in its evidence to the Donovan Commission in 1965 gave the following as aims of a trade union:

    a. to improve the terms of employment;

    b. to improve the physical environment at work;

    c. to achieve full employment and national prosperity;

    d. to achieve security of employment and income;

    e. to improve social security;

    f. to achieve fair share in national income and wealth;

g.   to achieve industrial democracy;

h.   to achieve a voice in government;

i.   to improve public and social services;

j.   to achieve public control and planning of industry.

3.3 Function of Trade Union

Carroll (1969) looks at trade unions as an association which discharges obligations to members in the matter of wage rates and employment conditions, undertaking responsibilities and commitments which are closely interwoven with social, political and economic affairs generally. From this definition, a trade union will perform functions that can be classified as economic, political, educational and social.

3.3.1 Economic Functions of Trade Union

According to Yesufu (1984) the following economic functions are ascribed to trade unions.

a.   Overseeing the rates of payment of its member's wages with reference to the cost of living and acceptable living standards generally.

b.   Fair compensation through wages by comparing the rates and scales of pay of employees in similar or comparable employments of its members.

c.   Guaranteeing job security. Unions interact with employers to prevent retrenchment of labour and if retrenchment becomes inevitable, to minimize its effect in terms of numbers to be retrenched, compensation for retrenchment and the establishment of the rules and principles which would govern such retrenchment.

d.   Guaranteeing income security. This is making sure employee's wages are not unlawfully desecrated through unnecessary fines and undue delays in payment. Also income should be guaranteed during sickness, periods of unemployment and at old age.

e.   Guaranteeing increase in salary and constant promotion of workers to higher positions, opportunities for training to occupy higher responsibilities.

f.   Promote higher levels of productivity among workers. This is pursued because the viability of the enterprise is the viability of workers themselves.

3.3.2 Social and Educational Functions of Trade Union

a.   Since a trade union is an association of persons who, for much of their working lives, are exposed to similar social experience, it provides a platform for exchange of experiences and promotion of mutual assistance and cooperation.

b.   Unions serve as a forum for sharing glad tidings and assist co-members in alleviating problems of their neighbours. Examples are assisting bereaved members, organization of festive dances, etc.

c. On the educational level, the arrangement of annual, district and local conferences provide opportunity for members of unions to learn about industrial relations generally as well as specific problems of wages, conditions of the national economy and the enterprises as they affect the worker.

d. Unions educate through newsletters and bulletins that are used to keep members abreast of its activities, political, social and economic developments within the nation at large and how it affect the workers.

e. Unions provide advisory and consultancy services to their members in respect of their rights and claims against the employer.

3.3.3 Political Functions of Trade Union

a. There is a thin line between economic and political functions of trade unions. The logic which propels the state to intervene in industrial relations makes trade unions to be interested in politics. Unions are politically alert because legislations/ policies relating to workers welfare are taken by the government. For example labour has parties in Britain and Australia.

b. Unions serve as political pressure groups in the legislature to promote workers' interest.

c. Unions sometimes finance political candidates for elective posts hoping that their interests are protected. For example in Nigeria, most candidates in the labour party in 2003 are labour/union members.

d. Political structures within organizations are influenced by unions when they partake in joint consultation, collective bargaining and collective decision making process with management/employers.

Study Session Summary

Summary

In this Study Session, we learnt the definition of "Trade Union". Also the aims of trade unions were taught and the major functions of any association to be called a trade union were also taught.

Study Session 4

Growth of Trade Union in Nigeria

Introduction

Many trade unions have deep historical roots and contemporary features. Their position in relation to current issues cannot be understood expect ones looks at the major developmental stages via trade union history. This is one of the reasons why this Study Session will look at the growth of trade unions in Nigeria.

Learning Outcomes

When you have studied this session, you should be able to:

4.1 *examine* the evolution of trade unions in Nigeria.

4.2 *highlight* the problems associated with union administration in Nigeria.

4.1 Evolution of Trade Union in Nigeria

Trade unions emerged in response to development challenge brought up by the new organization of work and production, which were built around the factory system, itself a production of the industrial revolution in the late 17th and early 18th centuries. The move by those early recruits into the factory system was to challenge the unpleasant and debilitating conditions of work in the new centres of production in the tyranny of both managers and machines. Trade unionism therefore represents the resolve of workers to resist slavery and oppression in the world of work. It is significant to note that trade unions emerged without the assistance of governments, and in the absence of any legal recognition. In actual fact, for a very long time even in England, they were regarded as illegal organizations working in restraint of trade and it was not until 1824 that the Combinations Act was repealed. In Nigeria, although the first trade union was formed in 1912, it was not until 1938, 26 years after, that the legal recognition came (Adewumi, 2004).

In discussing trade unionism in Nigeria, it must be noted that wage employment preceded colonialism and not the other way round. This could be corroborated in the statement that Mungo Park "paid off" his servant in Bussa. Colonialism only came to spread wage employment. For instance, Lord Lugard created the two administrative units, Northern and Southern protectorates, and the Crown Colony of Lagos. In these protectorates, there arose the creation of the administrative services e.g. creation of the Civil Service, the Police, Army and the gradual emergence of what is known as labour through the creation of ports, railway lines,

public buildings etc. There was the need for the training of skilled men (Otobo, 1987).

4.1.1 Growth of Trade Unions in Nigeria

Yesufu (1984) said that social institutions, such as guilds and craft societies (hunters, blacksmiths, carvers and weavers) existed in the traditional African communities before colonial times. Fasoyin (1992) quoting Roper (1958) maintained that it was clear how these guilds and societies metamorphosed, if any, to modern trade unions. However, these guilds and societies may not have transformed into modern day unions, they perform the same duties as they do today. They regulated their trades, served as social and political forum for their members and also provided social services to members.

As early as 1897, there had been a 3-day strike by artisan workmen in the Public Works Department (PWD) in Lagos, in protest against the workmen's hours of work. The Governor McCallum of Lagos showed anti-union action, but the 'bold face' did not deter strikers until he agreed to negotiate a compromise with the men (Fasoyin, 1992). Though this action was not under a formal organization i.e. no leader identified, yet it carried out the role of a trade union.

The first evidence of a trade union was the Mechanics' Mutual Aid Provident and Mutual Improvement Association, formed in July 1883. There is no evidence that this union existed beyond the 1880s (Fasoyin, 1992). It is noted that the absence of wage employment in Nigeria and most African countries accounted for late development of trade unions. The agrarian society did not encourage trade unionism.

The first firm evidence of the rise of modern trade unionism was the formation of the Nigerian Civil Service Union (NCSU) on Monday, 19th August, 1912. This union emerged from the growing wage employment in government establishments. The union was not formed by a group of disaffected workers who wanted a platform from which to fight for amelioration of grievances, or for the improvement of specific conditions of employment. It was formed merely to match the existence of such institutions elsewhere (Sierra Leone) Yesufu (1984).

Otobo (1987) asserts that the nature of the state itself bore directly on its relations with the nascent trade unions at this early stage. He identified four factors that were responsible for this

a. That the shaky colonial administration was essentially a military regime, deriving immediate support from the 'West African Frontier Force', which for a time was under the direct command of Colonel Lugard. It was authoritarian and dictatorial by definition.

b. The periods also coincided with the military conquest of Nigeria which formally ended with the sacking of the Hausa-Fulani emirates and the declaration in 1906 that they constitute the Northern Protectorate. This was subsequently followed by the amalgamation of the Southern and Northern protectorates in 1914. Pressure was continuously applied by the state to secure the conformity of organized interest groups.

c. In a political order largely based on force, and lacking political legitimacy, organized interest groups, particularly trade unions, logically bore the brunt of government hostility, their activities being regarded as destabilizing of colonial regime whose prime interest lay in the rapid exploitation of resources and its supply of raw materials to European industries.

d. The colonial administration at this point made no preference that it was governing in the interest of the citizens. Welfare Schemes and Social legislation were of little interest to it. Thus workers and their organizations had to fight for the establishment of a basic floor of industrial rights and access to social amenities.

With the outbreak of the First World War in 1914, there followed a rise in the cost of living, and from 1916 to 1919, the union successfully agitated for "war bonus". Other grievances which the union discussed from time to time was discrimination in salary scales in favour of European against Africans performing the same jobs, the frequent imposition of fines as a measure of discipline etc (Ananaba, 1969).

By 1931, a further trade union development occurred with the establishment of Railway Workers' Union and the Nigerian Union of Teachers. The emancipation of economic depression by 1930 encouraged the technical sections of the railway workers with the revolutionary temper characteristic of craftmen, decided that their interests would be better catered for through their own organization hence the formation of the Railway Workers' Union (Yesufu, 1984). Ananaba (1969) reported that in 1936, the unestablished employees of the Marine Department founded the Marine Daily Paid Workers' Union. There is hardly any record of this union's activities, at least until the enactment of the Trade Union Ordinance of 1938.

The passing of the Nigerian Trade Unions Ordinance in 1938 was followed by unprecedented organizational activity on the part of workers throughout the country (Yesufu, 1984). The number of salary earners had gone up during the Second World War, workers experienced hardship due to rising cost of living, war propaganda made the workers more conscious than ever before of their strategic position and potential power. Furthermore, the war brought about more leadership materials for the unions from the ex-service men. Also, the administrative policy of discriminative salary payment (paying European civil servants more than their African counterparts) served as one potent-inducement element.

Yesufu (1984) contended that the period 1938 – 1976 cannot be overemphasized. It was one of almost complete Laissez-faire unionism and the golden age of Nigeria trade unionism. The first trade union registrations under the Trade Unions Ordinance 1938 were effected in 1940. See Table 4.1 below.

Fig 4.3 Growth of Nigerian Trade Unions 1940 – 1976.

Source: Federal Ministry of Labour Annual Reports and Quarterly Reviews 1940 –

Year	No of Unions existing at the end of year	Total Membership of unions at the end of year
1940	14	4,629
1941	41	17,521
1942	80	26,275

1976.

1943	85	27,154
1944	91	30,000
1945	97	51,340
1950	140 (144)	109, 998 (144358)
1955	232	175, 987
1960	347 (360)	259, 072 (274, 196)
1965	600	486, 430
1970	725	684, 498
1975	936	772, 751
1976	990 (896)	673, 030 (724, 697)

Bingel, B. T. (1997). Understanding Trade Unionism in Nigeria: Historical Evolution and Prospects for Future Development.

From the table above, fourteen unions with 4,629 members were registered in 1940, 41 unions 1941, etc. It is clearly seen from the table that Nigerian workers were not only aware of the immense value of the Trade Unions Ordinance, but that they were also determined to take full advantage of it. The upward trend in both the numbers and the membership of the trade unions continued unabated. By the beginning of 1976, just before the 'new labour policy' began to take effect, the number of trade unions stood almost at 1,000, however, less than half of unions were actually effective. Thus only 340 trade unions were listed for cancellation of their certificates in Government Notice No. 1211 published in Federal Gazette of 21 November 1976, in pursuance of the Trade Unions (Amendment) Decree No. 22 of 1978, which dissolved all existing unions and substituted a new list of seventy (Yesufu, 1984). It should be noted that the decline in membership for 1976 as against 1975 is accounted for by the removal of non-employee and employer unions from the register following the Trade Unions Decree, 1973.

The significance of the period 1938 – 1976 cannot be over-emphasized. It was one of almost complete laissez-faire unionism, and it may well turn out to have been, by international standards of industrial democracy, the golden age of Nigerian trade unionism (Yesufu, 1984).

4.1.2 Post 1976 Growth of Trade Unions

The Morgan Commission (1963-1964), drew attention to the fact that the practice of trade unionism in Nigeria had left room for much disquiet. It pointed out that the usefulness and success of the trade unions in improving the conditions of labour and the atmosphere of industrial relations would depend upon an improvement in their organization and structure, as well as their relationship with employers. The commission also pointed out that both the employers and workers' representatives express a preference for negotiating and organizing along industrial lines (FMI, 1964).

Also Adebo Commission (1970-71) supported the views of Morgan Commission in the restructuring of unions. The commission expressed in its own view that the first and most important element of a reform in trade union is to restructure Nigerian labour unions into industrial unions (FMI, 1971).

By 1976, the government acted and prorogated Decree No. 44 of 1976, having cancelled the registration of the four central labour organizations; namely the United Labour Congress of Nigeria, the Nigerian Trade Union Congress, the Nigerian Workers Council and the Labour Unity Front, provided for the appointment of an Administrator who would perform the functions of a central labour organization. Among other things, he was required to take all necessary steps to effect the formation of a single central labour organization to which shall be affiliated all trade unions in Nigeria; and to encourage and effect the formation, whether by amalgamation or federation of existing trade unions or otherwise, of strong and effective trade unions (Decree No. 44 of 1976).

In September, 1976, Mr. Abiodun, M. O. was appointed the Administrator. He held several heated meeting with union representatives and based on his personal experience as a retiree in August 1977 from the Federal Ministry of Labour as Industrial Relations Commissioner, the Administrator issued a final list of the restructured unions from nearly 1,000 unions, to consisting of 46 workers' unions, 15 senior staff associations, and nine employers' association, making a total 70. This was backed up by Decree No. 22 of 1978.

It was not easy to launch the new trade unions because there were petitions from unions which felt that they were being classified into the wrong combinations. Also the issue of leadership reared its ugly head as a result of indecisive elections. Finally, on 28th February, 1978, the Nigeria Labour Congress (NLC) was inaugurated as the only central labour organization in Nigeria. The name is the one chosen by Nigerian Labour leaders themselves in 1975 when they had once agreed to unite. Under this new arrangement the unions that emerged from the exercise were automatically registered. The enabling labour laws guided the process of restriction of a new union.

The restructuring achieved the following positive effects (Fajana, 2006).

    a. lessening of damaging ideological conflicts among Nigerian union;

    b. removal of moribund unions and the substitution of large and effective industrial unions;

    c. employment of well disciplined and experienced trade union leaders who are performing full-time duties;

    d. assurance of dependable internally generated financial resources through automatic check-offs; and

    e. creation of one central labour organization (NLC).

However, the negative impacts of restructuring exercise are

    a. the authorship of the constitutions and structure of the trade unions that were created, thereby tying them securely to the dictates of the state;

    b. the increased opportunity for the state to intervene in the affairs of voluntary associations such as trade unions and employers associations;

c. the confusion brought about by the restructure which neglected workers in certain industries without unions created two or more unions in some other industries; and

d. the reduced capacity of the branch unions to handle industrial relations matters as negotiation has become national and industry-wide (Fajana, 2006).

The state has found it necessary to grant requests or engineer further reforms to the structure started in 1978 and this gave rise to the table below.

Table 4.2 Structure of Unions: 1978 – 2000.

Source: Fajana, 2006. Industrial Relations in Nigeria. 3rd ed. P.158.

Type Of Union	1978	1986	1988	1990	1996	2000
Industrial Union	42	42	41	41	29	29
Senior Staff Association	15	18	21	20	20	20
Employers Association	9	22	22	22	22	22
Professional Unions	4	4	4	4	4	4
Total	70	86	88	87	75	75

Since 1978, industrial unions have experienced very few de-registration. The only one on record is that of the Custom, Excise and Immigration Staff Union (CEISU) which was scraped in 1988 on account of its existence contradicting state policy that forbid employees carrying arms to unionise.

Also, since 1978, there has existed the issues of overlaps in the jurisdiction of the unions and the incidence of job interests not properly recognized, hence the principle of guided intervention in trade union affairs encourage the state to form a committee with the labour movement for the purpose of removing or minimizing these problems. The committee reduced the number of industrial unions to 29 in 1996.

In 2005, the Trade Union (Amendment) Act was prorogated. The law ended automatic trade union membership, i.e. union membership became voluntary and it also placed total ban on strike. The Trade Union Amendments Act of 2005 also approved more central labour bodies as different from the singular one that was recognized since 1978. This new development has given birth to the registration and recognition of Trade Union Congress (TUC) and Conference of Free Trade Unions (CFTU) in addition to the existing Nigerian Labour Congress (NLC).

4.2 Problems of Union Administration in Nigeria

Trade union administrations in Nigeria have been facing some enormous problems. These problems are general and they have in no small way been affecting the growth, integrity and the future of trade unions in Nigeria as well as a trend of union decline. Some of these problems are:

i. Poor finances that further limit membership drive. It must be emphasized here that accurate check-off revenue is reduced by

the current rationalization of industrial labour. There is also the non-disbursement by the affiliate unions.

ii. There is the over-bloated expenditure profile of unions and the overall effect of high cost of living.

iii. The labour environment is also a problem. This is feasible in bad government policies and lack of proper democratic governance, culminating in autocratic and anti-labour policies.

iv. Poor organizational apparatuses at the trade union level. This most times is due to lack of experienced union personnel to effectively carry out the job.

v. Several threats to union leaders and agitators. This has created serious anxiety for those who would have effected positive changes in trade union administration.

vi. There is also the occasional or situational professional opposition and rivalry sometimes attributed to parallel workgroups. An example of this could be seen between medical doctors and nurses, and the stereotypical feeling that anti-union policies are influenced by the opposing groups.

vii. Deregulation, which has also threatened the unified wage structure, particularly in the public sector; and the demonstration effect of recurrent labour retrenchment across industries, attributed to the global economic recession (or depression) and the social cost of various structural adjustment programmes and other economic programmes. It is worth to note that selected industries like Railway and textile have borne the brunt far more than others.

viii. Employment control policies that have tended to erode union membership bases, e.g. the statutory law on retirement after 35 years of continuous service or attainment of age 60, 65, 70 as the case may be.

ix. Labour contracting method and casualisation in the construction and oil sectors. In addition, the widespread no-unionizations in the third-generation (including merchant) banks, or among the senior or management cadre in the finance sector.

x. Unemployment rate due to the economic environment and recession, as well as limited investment tendencies.

xi. The overall economic and political environment has made bargaining difficult. This has created the more serious pressure on job security, while improved employee welfare is no longer a priority. Political environment on the other hand through the instability feasible in the system, and the attendant standstill, union activities have been rendered more difficult or sometimes impossible, due to its perceived concomitant backlash on the economy.

xii. The conspiracy between government and employers in discussing labour problems in exclusion of union members or workers' representatives.

xiii. The recent policy on decentralization of central labour unions and the conditions given for labour agitation.

Study Session Summary

Summary

In this Study Session, we highlighted the growth of trade unions between 1938 to 1976 and 1976 up to date. We also discussed the problems facing trade unions in Nigeria.

Study Session 5

Employer's Association

Introduction

This Study Session will look at the concept of employers association and also discuss the emergence of Nigeria Employers' Consultative Forum (NECA)

Learning Outcomes

When you have studied this session, you should be able to:

5.1 *define* and *use* correctly the term "employer's association".

5.2 *appraise* the Nigeria Employers Consultative Council (NECA).

5.1 Definition of Employers' Associations

Employers Association is an organization for business and industry that provides and manages, services that help create and maintain positive and productive employer and employee relationship. The association is dedicated to enhancing the employer-employee relations, promoting excellence in the management of the people, optimizing the ability of each employee to contribute to their organisation's profitability and continued success.

Employers' Association is also a voluntary bureaucratic institution, which believes in hierarchy and gives more emphasis on specialization and division of labour to attain its goals and objectives. They plan, co-ordinate and control their activities through a system of communication for their orders and directives to be carried out. Therefore, it can be seen as an association formed by a group of individuals or organization in protecting the interest of their members, especially in matters concerning workers and employers.

Employers' Association is one of the participants in industrial relations in Nigeria. At the beginning, employers' association was unorganized due to the various prevailing conditions such as the image of trade unions, which was not a good one, the take over of employment functions by mainly expatriates and the lukewarm attitudes of our local employers to genuinely engage in industrial relations with the workers.

The central responsibility of employers' association is the reconstruction of industrial relations so as to promote and support effective and comprehensive agreements in the company and in the factory. They are expected to assist companies in reviewing industrial relations within their

undertakings. They should join with the trade unions to amend industry-wide agreements so as to facilitate orderly and effective collective bargaining within the company.

5.2 Types of Employers' Association

Employers' associations could be classified into three main categories. These include:

5.2.1 Employers' (Industry) Associations

These provide a crucial link between employers in the same field of activity where members operate in identical labour and product market. They are generally made up of firms doing the same business.

5.2.2 Trade Group

Industry associations also hold membership in the trade groups. The groups discuss among themselves their particular labour relations problems and the demands made by their respective house unions. In some fundamental cases they pass such issues to the employer association for study and advice.

5.2.3 The Geographical Groups

These groups include members in a particular area which could be made of industry associations as well as trade groups. They provide free forum for discussion and solution of local problems among members and keep the umbrella body informed of their regional development. The group continuously liaises with employers within each industry and among various industries in a geographical area and tends to create a common interest among various employers in the area.

5.3 Functions of Employer Association

Members of employers association derive a lot of benefit from the association. These include: consultation, information and education. It should be clearly stated that employers' associations primary and secondary functions are:

a. encouragement of members to develop formal bilateral relationships with workers unions;
b. advance good labour relation practice;
c. find out the source of conduct and ways of solving them;
d. provide adequate and relevant available information;
e. facing the unions on behalf of their members;
f. provide advice and assistance in the field of personnel management, such as recruitment and selection, testing, induction training, grievance processing, discipline, job analysis, interpreting labour legislation and collective agreement;
g. regulating the labour market;

h. protecting employers against the demand of powerful trade unions;

i. providing management assistance to member companies;

j. protecting the interest of employers against suppliers of raw materials, non-employee professional bodies.

In addition, members have access to the following services at affordable member rates:

1. **Employee Relations and Regulatory Compliance:** These are in forms of Employee handbook Development; Background Checks; Contract Human Resource Manager Services; Human Resource Audits; Sexual Harassment Prevention; Affirmative Action Services and Safety Audits.

2. **Training and Assessments:** These include Leadership and Management Training; Computer Training Courses; Assessments; Human Resource Training and Seminar; Teambuilding and Business Training Lending Library.

3. **Benefits and Compensation:** These are in forms of Benefit consulting and administration; Insurance broker services; Employee Assistance programmes; Benefit Surveys; Total Compensation Statements (New); Specialisation Compensation Services; Wage and Salary Surveys and Policies and Services Surveys.

4. **Network/Professional Development:** Roundtable discussion groups and Monthly meetings.

5. **Employee/Customer Satisfaction:** Obtained through Employee opinion Surveys; Focus Groups; Customer Satisfaction Surveys and Exit Interviews.

5.4 Nigeria Employers Consultative Association (NECA)

The Trade Union Ordinance of 1938 made it possible for interested employers to form organisations to discuss employment conditions with their workers. However, the Nigeria Employers Consultative Association (NECA) was formed in 1957 at the instance of government (which sought to find a forum for employers' participation in national labour policy formulation) and a few of the leading employers of the period who wanted to present a common front on industrial relations before government (Fasoyin, 1980).

NECA is a federation of employees as well as a parliament of employers and a constitutional monarch whose function is to advise, encourage and warn members. Among the principal functions set out in its constitution are:

i. organizing into membership all private employers in the federation;

ii. encourage the payment of equitable rates of wages and salaries via collective bargaining;

iii. dissemination of information through the newsletter called NECA news;

iv. membership of tripartite bodies on labour matters;

v. training and education of members;

vi. advising members on negotiations on wages, conditions of work, dispute handling, management of redundancies;

vii. representation to government on specific labour matters.

NECA has maintained a stable growth from its founding membership of 54 in 1957 to 527 in 1988. Membership of NECA consists of ordinary members from Industrial firms, Employers Association and Associate members mostly from public corporations and government agencies.

Table 5.1
NECA Membership
1957 – 1988

Source: NECA Lagos and Fasoyin, 1980.

YEAR	Ordinary Members (individual firms)	Employers Association (Industry)	Associate Members	Total
1957	52	01	01	54
1962	244	02	02	248
1965	293	04	03	300
1967	338	05	05	348
1970	367	05	07	379
1972	410	05	06	421
1975	466	05	07	478
1977	498	05	07	510
1978	513	05	07	527
1980	641	19	05	665
1985	514	16	06	520
1988	503	-	08	527

5.4.1 Reasons for the Late Development of Employers' Associations in Nigeria

The following reasons could be adduced for the late development of employers' association in Nigeria:

• The growth of house unions and the practice of organizing workers on an enterprise level serve to discourage the formation of employers' associations as employers preferred to negotiate with the leaders of a union formed within their individual enterprise rather than dealing with national or industrial union that would have emerged through the formation of employers association.

• Employers were secretive and unwilling to discuss their labour relations practices with one another to avoid their competitors knowing the secret of their success.

• The strength of trade unions to make powerful voice in the industry, as at the time could not induce employers to band together.

• The industrial growth, up to the early 1970s, had been rather slow and the wage earning populations as well as organized labour was small.

• The system of industrial relations in the public sector had a discouraging effect upon the response of some private sector employers to collective relations.

5.4.2 Reasons for the Emergence of Employers Organization

The identifiable reasons for the evolution of employer's association in Nigeria include:

a. The need for cooperation and coalition due to the increasing strength of the union and the collaborative effort of government in achieving this.
b. The increased involvement of government in industrial relations in Nigeria.
c. The 1978 restructuring of the labour movement into 42 industrial unions along with other senior staff and professional association accompanied by the creation of nine employers' association also served as indices. This brought about the crucial role for the NECA.

The establishment of NECA in 1957 with 54 members introduced a new but important dimension to the role of employers' association in industrial relations in the country. It provided a national forum for all employers to participate in the formulation of national labour policy. Though government encouraged its formation, the initial assistance and guidance to the association on its formation was provided by the Overseas Employers Federation (OEF). The OEF provided NECA with a model constitution, which probably accounts for the similarities between the OEF based in UK and the NECA (Fajana, 2006). The Federal Ministry of Labour encouraged the establishment of NECA as a employers' equivalent to the central labour organization to provide a forum that the Ministry of Labour could consult as it did with Nigeria labour federations at the time.

To bring its service closer to every member, NECA established trade and geographical groups in the 1960s. The groups are organized on a broad industrial basis where they provide more direct services to their constituents. In March 1977, eighteen trade groups were under the broad umbrella of NECA. Each trade group also have employers' industry associations catering for specific segments of the larger industry. Examples include: Nigeria Textile Manufacturers Association, Food and Vegetable Oil Employers' Association, Nigerian Bankers' Employers Association etc. In March 1977, however, there were ten geographical groups located in strategic places serving as regional organs of the NECA. It must however be emphasized that employers associations display considerable variations in their objectives as well as structure and organization. The reason is that some of the associations are registered under the Trade Union Decree while others were registered under the Company Act and some were created by NECA and thus had no legal rights as such. Though all members of NECA share a community of interest, the extent to which they rely on NECA's services is obviously determined by the individual constitutional set-up.

5.4.3 Organs of NECA

There are four permanent organs in NECA's constitution. These are:

The Coordinating Committee

It is the governing council of the association. It formulates policies, sets subscription rate, appoint staff for the Secretariat. The membership of this committee include the immediate past president, treasurer, the Director of NECA, the Chairman of each trade group, the chairman of each geographical groups and that of other committees.

The Industrial Relations Committee

Members are appointed and they report to the coordinating committee. It is the nerve centre of the association which involves the whole gamut of industrial relations matters.

The Training Committee

This is concerned with the broad function of manpower planning and development.

The Finance Committee

This monitors the finances of the association. It also advises on subscription and levies and oversees major financial obligations of the association.

Each of these committees may from time to time appoint ad hoc sub-committees on specific issues.

The Secretariat, though responsible to the Coordinating Committee, executes the decisions of the various committees. The Secretariat has a Director, Deputy Director and two Assistant Directors who perform the arduous task of gathering data, analyzing them and advising employers on all industrial relations matters that affect NECA.

5.4.4 Legal Status of Employers' Associations

The Trade Union Decree extended legal rights to employers' associations interested in collective bargaining with workers. This implies that such organization have all the rights and obligations that are provided for every trade union in the country. It must however be noted that NECA is a voluntary association, not registered under the Trade Union Decree, it can therefore not enter into any collective bargaining agreement with any union or group of unions. Its advice and services are not legally binding on members.

5.4.5 NECA's Relationship with Government and Other Bodies

The relationship between NECA and other bodies are seen in the following respect:

- Government can consult employers through NECA and representations to government are made through NECA.
- The primary source of contact between the association and government is the Federal Ministry of Labour.
- The relationship between the association and government is both formal and informal, and contacts are often made on an ad hoc

basis. Formal contacts are made through the association's representation on government-sponsored agencies.

- Government also consults NECA on matters directly related to civil service.
- The association from time to time initiates consultation with government either to express its constituent's views on a particular government labour or social policy, or to make suggestions on recommendations to government on a particular issue.
- NECA maintains a close relationship with International Labour Organization (ILO).
- Cordial relationship with trade unions and their leaders. The neutrality played by NECA on union matter is also to the advantage of the association.

Study Session Summary

Summary

In this Study Session, we discussed the meaning, types and functions of employers' association in general. We further discussed the emergence of Nigeria Employers' Consultative Forum (NECA), factors that contributed to its delay. We concluded by looking at the organs, legal status and relationship of NECA with government and other bodies.

Study Session 6

Conflict in the Workplace

Introduction

Workers and management are engaged in a continuous determination of what constitutes a fair day's work pay, bargaining processes, supervision procedure, safety procedures etc. All these decisions call for co-operation and conflict at the same time. In this Study Session, we will focus our discussion on the concept and sources of industrial conflict.

Learning Outcomes

When you have studied this session, you should be able to:
6.1 *explain* the meaning of industrial conflict.
6.2 *discuss* the different schools of thought divergent views on industrial conflict.
6.3 *identify* the sources of industrial conflict.

6.1 Defining Industrial Conflicts

A harmonious working relationship is expected to exist in any work organization. Any business enterprise must build a true team and wield individual efforts into a common effort. Each member of the enterprise contributes something different, but they must all contribute towards a common goal. Their efforts must all pull in the same direction, and their contributions must fit together to provide a whole without gaps, without friction, without unnecessary duplication of effort (Drucker, 1989). But this does not whole-heartedly exist, there exists industrial conflict. What is industrial conflict?

Kornhauser, Dubin and Ross (1954) define industrial conflict as:

> the total range of behaviour and attitudes that express opposition and divergent orientations between individual owners and managers on the one hand, and working people and their organizations on the other.

The above definition is restrictive because it sees industrial conflict as what happens between two opposing groups (owners/managers versus workers/unions). However, there exists intra-management conflict, intra and inter group conflicts of workers and their management. Therefore Fajana (1995) sees industrial conflict as the inability of these parties (either between employer and employees or within their groups) to reach agreement on any issue connected with the object of employer – employees interaction, whether or not this inability results in strikes or lockouts or other forms of protestations.

Industrial conflict may be organized or unorganized. Organized conflict is likely to form part of a conscious strategy to change the situation which is identified as the source of discontent. In unorganized conflicts, the worker responds to the situation in the only way open to him as an individual, that is, by withdrawal from the source of discontent, or individual sabotage and rudeness. Such reaction rarely derives from any calculative strategy; indeed, unorganized expressions of conflict are often, not regarded as conflict by the persons in the situation.

There is a wide variety of industrial conflict which may take the form of peaceful bargaining and grievance handling, boycotts, political action, restriction of output, sabotage, insubordination and physical attack, absenteeism, personal turnover, ban on overtime and strike (Otobo, 2005).

Alan Fox (1966, 1973) grouped explanation of industrial conflict into two schools of thoughts namely unitary and pluralist.

6.2 Schools of Thought in Industrial Conflict

6.2.1 Unitary School of Thought

The unitary school of thought believes that work organizations are unified bodies in which everyone shows the same goal. Since firms have common goals, the tendency is thus to present employees as members of a team or family sharing a common destiny. This is often allowed to the management side. Management believes that firms goals accommodate employees as members of a team or family sharing a common destiny (Otobo, 2000). This view of unitarism has been buttressed by Fidler, 1981, who said that chief executives do not imagine two sides existing within their respective firm. Also Crouch, 1982 maintained that the bottom issue in industry is the need for sufficient good communications and sufficient goodwill that will eliminate conflict and trade unions would be unnecessary.

6.2.2 Pluralism School of Thought

Pluralists assume roughly equal balance of power between employer and workers, and mediated upon by external power (the state). It is assumed that the state (external mediator) is neutral in the intervention of the relationship between employers and workers. Most pluralists are termed institutional pluralists because they concentrate on organizations and institutions (i.e. trade unions, employers' organizations etc) in their analyses rather than on persons or groups of individuals and their thoughts and actions. Clegg (1975) maintained that each group and organization has its own source of authority, and whenever there are separate sources of authority, there is the risk of conflict. Thus when organizations are in conflict, they may apply pressure to persuade each other to make concessions.

6.2.3 Radical School of Thought

Wood and Elliot (1977) posit another view by arguing that analysis should move away from assumptions of a natural tendency towards order;

they assert that industrial conflict is ubiquitous and total. That trust and co-operation are either impossible or where they appear to exist are the outcome of manipulation by powerful groups in society.

6.3 Sources of Industrial Conflict

The sources of conflict in industry are numerous, some of which are peculiar to respective organizations/industry and others located outside the enterprise. That is, sources of conflict can be either internal or external.

Otobo (2005) highlighted both internal and external sources as:

a. **Internal – Style of management:**
   i. nature of physical environment of the work-place;
   ii. orientation or social consciousness of workers;
   iii. conditions of service;
   iv. efficacy or otherwise of the promotion system; and
   v. cumbersomeness of grievance and disputes procedure;

b. **External – Government's industrial and economic policies:**
   i. nature of labour legislation;
   ii. unpatriotic and unethical behaviour of political class
   iii. national economic mismanagement;
   iv. general distribution of wealth and power in society; and
   v. nature of the capitalist economy.

Fajana (1995), looked at sources of industrial conflict from both internal and external angles. He said the internal sources are based on the opposed nature of the interests of the employer(s) and employee(s). While employers seek the highest profit level and minimal cost, employees (or through their unions) want the best or highest return for their labour or better and safer condition of service. The external sources are similar to that of Otobo (2005).

Again, the intervention of State can spark off conflict, for instance, Government wage freeze during inflation can lead workers to demand for increase in salaries due to reduction in disposable income, while employers will show resentment towards such worker's demand. Therefore three main grievances can be identified internally. They are employer's grievances, individual workers grievances and group (union) grievances.

1. Employer's Grievances emanate from dissatisfaction with individual workers attitude especially in areas of discipline, regards for public rules, orders and safety regulations, doing a good job, unfair labour practices from unions – violation of agreements, misinterpretation of contracts, misinterpretation of management's position to workers, conducting union activities during working hours etc.

2. Individual Workers Grievances - This can arise from employers not being able to meet worker's needs in-form of love, belongingness, esteem, recognition, personal development, subsistence, safety and physiological needs. Others are

inadequate communication between and within employees and employers.

3. Collective Grievances - Most of the individual grievances can culminate into collective grievances against management. Thus workers can express collective grievances on wage issues, supervision, seniority and discharge, general working conditions, the style of management, efficacy and otherwise of the promotion system, unfair labour practices, non-implementation of collective agreement.

Study Session Summary

Summary

In this Study Session, we discussed the concepts of industrial conflict as absence of industrial harmony due to non-consensus of attainment or personal goal by either parties (labour and management) or within parties (intra-conflict). You also learnt about the different schools of thought and sources of industrial conflict.

Study Session 7

Trade Dispute

Introduction

In the previous Study Session, we examined sources of industrial conflict. Conflict in every organization is inevitable. It is expressed in several forms. One of such form is trade. Let us explore the concepts, sources and forms of trade disputes in this Study Session.

Learning Outcomes

When you have studied this session, you should be able to:

7.1 *define* trade dispute

7.2 *mention* sources of trade dispute

7.3 *list* types of trade disputes

7.1 What are Trade Disputes?

Trade Dispute is defined by the Trade Disputes Act 1976; subsection 37 as "any dispute between employers and workers or between workers and workers which is connected with the employment or non-employment or the term of employment and physical conditions of work of any person".

From the definition above, two issues are paramount from the definition. First, what constitutes the subject matter of a trade dispute and second, those that are parties to a trade dispute are:

Let us look at some issues that constitute subject matters

a. employment or non-employment of any person

b. the terms of employment of any person (contract of employment and issues such as matters relating to wage rates, hours of work, grading and promotion, redundancy procedures)

c. the physical conditions of work of any person. This is connected with the physical conditions under which a worker works especially relating to safety and health matters.

An explicit look at the parties to a trade dispute shows that it involves dispute either between employers and workers or between workers and workers. The implication is that there cannot be a trade dispute unless there are workers on one or both sides of the dispute. It is important to let the students know that workers need not belong to any union before trade dispute can occur, nor employers belong to an association before being involved in trade dispute. This is so because Section 37 made no reference to such associations, but in practice both workers and/or

employee form associations to pursue their demands (trade disputes) whenever they arose. This is confirmed by the case involving Western Textile Industries Co., Ltd Vs Ado-Ekiti. Westexinco Workers' Union (1979) N.I.C.L.R (107) 1978/79 page 111.

Tip

> Trade disputes arise as a result of inherent opposing interests of employers and employees in work relations.

Trade disputes are those disputes between workers and employers. The workers may choose to be represented by one organization or another. The primary right, however, to be a party to a trade dispute belongs to the workers on the one hand and the employers on the other hand. Contrary to the argument that has been canvassed for the trade union, the right of appearance before this Court belongs to the workers. The trade unions are only the representatives of the workers. When, therefore, a trade union is extinguished by operation of law such as the situation that arose as a result of the Trade Unions (Amendment) Decree No. 22 of 1978, the trade unions' rights may or may not be extinguished, but it must be emphasized that the rights of the workers who are the real parties in a trade dispute are not extinguished. It is therefore perfectly in order for the new industrial union under which the workers are regrouped to apply to this Court to represent the interests of the affected workers.

7.2 Sources of Trade Dispute

Sources of Trade Disputes can therefore emanate from workers willingness to be recognized, seeking for satisfaction, fair wages and salaries, job security, redressing of the wrong and good working conditions. The difference in the attainment of these objectives or the interpretations by employees (through their union) and the employer leads to trade disputes.

Furthermore, changes and rapid process of adaptation which the enterprise at times has to undergo in order to survive, affect members of the work community in many different ways that they become sources of conflict (Iwuji, 1987).

Trade Disputes in industrial relations are normal and necessary. Trade disputes maintain the system in some state of equilibrium through enterprise efficiency, employee security and protection of public interest. An example is the forcing down of petroleum product prices by trade union during the Obasanjo regime of 1999 – 2007 to the best interest of the public. Furthermore, workers trade disputes have secured shorter working hours, longer holidays (maternity leave for women too), safe working conditions but it has its negative effect of labour turn-over, poor workers, work stoppages, loss of man-days and increase in labour costs.

There are broadly two kinds of disputes in industry; disputes of interest (or conflicts of interest) and rights disputes. The disputes of interests concern conflicts in collective bargaining arising out of the making of new agreements on terms and conditions of work, or the renewal of those

which have expired. While rights disputes are those which involve alleged violations of rights already established in employment contracts or agreements. The disputes of interest could be compounded by rights disputes. For example, an award made by wages commissions often complicate previous grading, fringe benefits and procedures negotiated and laid down within individual enterprises. A majority of disputes may rightly be regarded as coming under rights disputes as these inevitably arise in the course of daily production processes in enterprises (Otobo, 2005).

What comprises rights disputes at any point in time would depend on, among other factors, the production process, nature of work group directly affected, and strategies of management. It is generally the case that such disputes rarely occur in the administrative sections of most enterprises which tend to handle correspondence and related matters. In engineering, heavy industries and other production processes involving mass production techniques (car assembly, electronics, mining, etc), rights disputes would frequently occur given established patterns of work, custom and practice, and various agreements on manning of tasks, piece-rate system of payment and overtime rates. In these industries, occupational categories and identities have been firmly established, making it difficult for management to shift workers around anyhow, or impose new work methods or manning without due consultation and compensation.

7.3 Types of Disputes

There are various types of disputes. These include:

7.3.1 Intra-Personal Disputes or Grievances

This is exemplified by a worker's protest against a disciplinary measure, non-promotion, termination of appointment, maltreatment by superior, improper grading or wrongful change in job classification or title etc. These are right grievances.

7.3.2 Inter-Personal Disputes

These disputes arise from disagreement between two individuals in the work place. This might be on issues of interest and rights in the workplace. These comprise attitudes, belief and value systems of the individual negotiators or officials on both sides, which significantly influence the state of labour relations. Quite often, such conflicts are erroneously taken as legitimate issues of labour relations. Thus leaders especially on the unions' side are often at pains to distinguish between personality and labour-management dispute, which do manifest in unions asking for the removal of an official whom they do not get along with.

7.3.3 Inter-Departmental Disputes

This is evidenced between departments in the workplace. This might be premised on the issues of distribution of materials, assigning responsibilities, sharing of priviledges and opportunities etc.

7.3.4 Intra-Union Disputes

These are disputes arising from the organization and running of a trade union as laid down in the union constitution. Such matters as the propriety or otherwise of political or other affiliation and complaints arising from election into union offices will certainly come within this sub-head of disputes.

7.3.5 Inter-Union Disputes

These disputes arise from the restructuring of trade unions. Disputes on the proper union that can unionize certain categories of workers are included in this class of disputes. This dispute is usually between two or more trade unions with jurisdiction to hear and determine matters conferred on the Industrial Arbitration Panel (IAP) and National Industrial Court (NIC).

7.3.6 Labour-Management Dispute

This manifests where there is disagreement on issues of the implementation of collective agreement between the union and management. It could be premised on interpretation of collective agreement or any other issue affecting the either the union or management.

7.4 Forms of Industrial Actions

Strike is the most popular form of industrial action in any society, there are other forms which do not attract much notice or public attention. This latter category accounts for a significant proportion of labour-management disputes. These other forms of industrial actions are used by workers and their unions as pressure methods on the employer, to win their demands. In many cases, non-strike actions serve as the first phase of an action package that ultimately ends up in a strike. Seven types of action in this category can be identified: (1) work-to-rule, (2) overtime ban, (3) lock-in/out, (4) intimidation, and (5) lock-out, (6) sit-ins and work-ins, (7) picketing.

7.4.1 Work–to–Rule

This aims at the restriction of output through deliberate reduction in the pace of work. Work-to-rule (popularly referred to as 'go slow') actions have featured prominently in labour-management relations for a long time, although they became a regular instrument of union bargaining strategy following the no-strike provision of the war-time legislation. Although we have no hard evidence on the extent of its use, work-to-rule is by far the most common form of industrial action in Nigeria.

7.4.2 The Overtime Ban

This is a union strategy which seeks to impose additional costs on the employer if more production is needed. Overtime ban is an effective means of securing the employer's concession. This strategy is frequently used in the banking industry where normal work usually continues for

several hours after the close of banking services to the public. It is at this time that the various books are reconciled or balanced. Where, however, the union embarks on overtime ban, this has a disruptive effect on efficiency. A variation of this method is the refusal to work at weekends or holiday periods.

7.4.3 The Lock-in/out

This is an action in which employees physically 'take over' the company premises, either by locking-in or locking-out the management staff, thus denying them access to or exit from the premises. Unlike the first two forms (work-to-rule and overtime ban), this action is often an indication of extremely unhealthy labour relations which sometimes suggests excessive use of union power.

7.4.4 Intimidation

It aims at putting the employer in a bad light by doing things which are embarrassing or antithetical to normal work behavior. This form of industrial action is a more recent phenomenon and now commonly used in public-oriented organizations. For example, unit of the national union in a major bank in central Lagos on one occasion protested the unbearable heat in the office and asked for the provision of an air-conditioner. Because management did not give the problem due attention, a few of the workers removed their clothes in full view of the perplexed customers. This act proved too embarrassing to management and the air-conditioning system was installed immediately. In 1990, members of NUBIFIE throughout the country wore tattered dresses and masks to work in order to protest poor working conditions in Banks (Fasoyin, 1992).

7.4.5 The Lockout

This is the employers' counterpart of the strike. The company gates are locked, thereby preventing workers from entering the company's premises. Lockouts are not a common occurrence in labour-management relationships in Nigeria. In fact, it appears that most lockouts that occur are preceded by a strike or other forms of industrial action. Oftentimes, when workers embark on an action and the management or the third party intervention has failed to resolve it, the employer might find it expedient to lock out the workers, either to reduce overhead costs or to safeguard life and property. For this reason, it is not usually easy to separate the two phenomena in labour relations.

7.4.6 Sit-ins and Work-ins

These are mass occupations of employers premises by disaffected workers. During work-in employees continue production with the aim of demonstrating that the plant is a viable concern. In the case of a sit-in, which often takes place where the production processes make a prolonged work-in impossible, the aim is to protest against a management decision whilst in the case of a proposed closure, preventing the transfer of plant and machinery to other factories (IPM, 1976).

Two main characteristics of sit-ins and work-ins are (i) the illegal occupation of an employer's premises against its wishes, (ii) exercising of countervailing control over the establishment by the occupiers. These tactics are forward in preference to other forms of organized industrial actions by trade unionists because:

a. they offer some degree of control over the establishment being occupied, which is obviously important in redundancy situations where the removal of plant and machinery to other locations is being threatened.

b. since such actions take place on private property, it reduces the likelihood of conflict with the police.

c. employees are better able to maintain their morale and group solidarity (Farnham and Pimlott, 1979).

7.4.7 Picketing

This is the physical conduct of strikes and the rights of strikers to assemble, to communicate information and to persuade others to help or to join them. In most strikes, it is a common practice for the unions to appoint official pickets to stand outside the workplace where the dispute is taking place. This is done to make it clear to employees, management, the public, and other workers delivering or collecting goods and materials there, that a strike is in progress.

Picketing hour permits strikers not to use physical force, that people and vehicle are not stopped against their will; and that their conduct does not threaten a breach of the peace in the eyes of the police. Picketing is also confined to those employees directly involved in the dispute and to their place of work, or to a clearly connected establishment.

Study Session Summary

Summary

In this Study Session, we introduced the meaning of "trade dispute". We learnt about sources of trade disputes (disputes of interest and disputes of rights). Also other forms of industrial actions like work-to-rule, overtime ban, lock-in/out, sit-ins and work-ins, picketing, intimidation etc. were looked at.

Study Session 8

Strike Action

Introduction

Unresolved trade disputes often leads to the breakdown of cordial relationship between labour and management which subsequently ends-up with the declaration of strike. Strikes can be declared by either labour or management. In this Study Session, we will examine the forms and effects of strikes on parties involved in a dispute.

Learning Outcomes

When you have studied this session, you should be able to:

8.1   *define* and *use* correctly the following term in bold:
- **strike**

8.2   *discuss* at least two types of strikes.

8.3   *discuss* the effects of strike on workers and employers

8.1 The Meaning of Strike

The occurrence of a strike depend on several factors which include prevailing circumstances and others issues which might have been seen to be inconsequential. Most strikes are deliberate, organized by workers and not spontaneous. Hiller (1969) stated that

> In moving towards a strike, inhibitions must be relaxed, and this is accomplished by accepting or creating interpretations of the situations which encourage action: supplying justifications for striking and minimizing the hazards of the undertaking. Justifications are provided by rehearsing grievances and claiming merits. Thus the extent to which strikes do actually occur will be most immediately determined by processes of negotiation among workers themselves.

The above quotation does not imply that all strikes come about only through workers' deliberate decisions, management too play roles in the existence and duration of strike.

Having been accepted by both parties (management and workers) that a dispute is established, it is required that the aggrieved party gives a 21-day notice. When a dispute becomes a strike, workers have to abandon their jobs or employers lock them out. Therefore a strike is a temporary stoppage of work in the pursuance of a grievance or demand (Otobo, 2005).

A majority of strikes are non-violent because of restraint on both sides and because both parties realize that it is a temporary stoppage of work. Any damage done to machinery (if violent) will eventually hurt workers when the strike is over (no instrument to work with which will eventually lead to retrenchment).

The state occasionally intervenes in strikes through the Ministry of Employment, Labour and Productivity. The ministry intervenes through labour legislation by giving the power to the ministry to intervene in the dispute or apprehend such dispute with the aim of promoting settlement by reconciliation.

8.2 Forms of Strikes

The following are some common forms of strikes:

a. **Wild cast strikes:** This is embarking on strike without prior notice to the employer. It is a violation of contractual agreement and is not seriously authorized by the union secretariat.

b. **Sit down strikes:** Workers are present at work but refuse to work. In sit down strikes workers do not take over the company's assets and its management.

c. **Sympathy strikes:** A solidarity action embarked upon by workers who are not directly involved in the dispute. It is moral and fraternal support given by non involved workers with the aim of bringing pressure on the employer involved in the trade dispute.

d. **Constitutional strikes:** These are strikes that conform with the laid-down procedure of collective agreement in the declaration of strike. The procedure includes way of calling members out, time of calling etc.

e. **Official strikes:** Strikes authorized by the leadership of the union. An unofficial strike can occur when there is a loss of confidence by membership on their leaders.

8.3 Measurement of Strikes

Incidence of strikes among industries and nations differs. In determining the incidence the measurement has to be made thus: Michael Poole (1986) suggest the measurement of strike with

i.   **Duration** – average length of stoppages in working days

ii.   **Breadth –** involvement per 1000 wage/salary earners.

iii. **Frequency –** number of stoppages per 100,000 wage/salary earners.

iv.   **Impact –** number of working days lost per 1000 wage and salary earners.

Duration is the length of the stoppages usually in man-days of work lost. Breadth is the number of workers who participate in work stoppages. Frequency is the number of work stoppages in a given unit of analysis

over a specified time period. Impact is the number of working days lost through stoppages.

8.4 Mobilizing for Strike

The actual occurrence of a strike depends on several factors and prevailing circumstances. There is need to mobilize workers for a strike and the later stage of trade dispute. At this point in time, individual members of management hold discussions with individual workers perceived to be influential and often offer bribes and other inducements in order to abort the fast approaching strike. Such informal pressure tactics are supplemented by official notices that exaggerate the possible negative consequences while appealing to some other categories of workers not to get involved as they are not directly affected.

On the workers' side, series of meetings would be held to discuss the dispute and the possibility of strike action. At these meetings, four types of workers are most active:

- the group of workers who are most directly affected by the original instruction or problem;
- those workers that do not usually like going on strike;
- influential workers who may argue for or against; and
- trade union officials.

At all informal meetings, all these persons would have been persuasively arguing their various viewpoints before individual and small groups of workers. These various arguments are again repeated at official or formal meetings with the most appealing of the arguments carrying the day: sometimes a vote is necessary to determine whether most of the workers present supported one view or the other.

When the union sees that negotiation is not getting it what it wants, it soon gives the employer/management a deadline after which it will call out its members on strike. The management knowing the implications of a strike, may now make further concession in order to stall the strike or call the bluff.

A strike is simply a 'method of bargaining' as described in the general opinion in union circles. Many would dispute this opinion, saying instead that when a strike takes place, it is a sign that collective bargaining has failed. Whether a strike represents an extension of collective bargaining or its failure, the decision to "walk out" or "take a strike" may be reached by either a union or management in order to secure the terms and conditions of employment each side desires. But this decision is inevitably preceded by an attempt by each party to satisfy itself that a strike will not represent final disaster rather than final persuasion (Otobo, 2005).

Unions Consideration before Embarking on Strike Action

"Do not threaten a strike unless you are ready for it", is a general rule which a union leader forgets at his peril. Indeed, only in very few occasions, particularly those complicated by factors outside the industry and the company, will a bluff work.

To reach the decision to strike, most union leaders and bureaucrats are likely to examine the following points:

1. The effect that calling a strike or, conversely, agreeing on a contract without a strike, will have on the union's policies, aims and goal.

2. The strength of the union and its ability to shut down the company's operations. This includes whether all or most of the members of the union can be persuaded to stay off the job. Whether non-members can be encouraged to do the same, and whether other unions will co-operate with the striking union.

3. The degree to which striking members will be able to withstand the loss of salaries.

4. The degree to which public opinion will be sympathetic or at least, not antagonistic-to the purposes of the strike.

Management Considerations before Embarking on Strike.

The Considerations Include:

1. The extent to which a possible settlement is reconcilable with company policy.

2. What are the long-and short-term implications of settling without a strike? Will a comparatively low-cost concession made this year become prohibitively expensive in later years?

3. The ability of the company to withstand possible loss of profits, customers and suppliers depends upon its competitive position and the over-all condition of the market and the economy.

4. The ability of the company to secure other employees and continue operations.

5. The effect of a strike on non-striking employees.

6. The importance of the strike issues to union members. Will these issues receive the wholehearted backing of the members? To what extent will the strikers be financially able to go out and remain on strike?

7. The extent to which public opinion will support the company's position.

8. The role that government can be expected to assume in the event of a work stoppage.

8.5 Effects of Strike

A majority of strikes are non-violent because of restraint on both sides. A reason for such caution is the realization that a strike is a *temporary* stoppage of work. Damage to machinery could hurt workers when the strike is over. Similarly, a high level of aggression during a strike may have negative effect on bargaining relationships which are crucial for day-to-day labour-management relations. There have been cases where workers after a strike refused to have dealings with particular managers, because of their conduct during a previous strike. Thus, although tempers may be high on both sides during a strike action, both sides would seem to recognize certain unwritten rules that govern conduct in such periods.

However, some strikes have been violent largely involving destruction of some equipment, locking up of some members of management and forcible closure of factories. Such violence were equally matched by police brutality as they were empowered to directly intervene to protect 'public order' or the rights of non-striking employees who might be harassed or attacked as they try to cross the pickets.

The duration of the strike would depend on such factors as:

- the substance of the disagreement or dispute;

- the nature of conflict resolution machinery;

- the resolve of, and resources available to both parties;

- the product/service market or industry; and

- involvement of the state. The state intervenes in strikes mostly through the operations of the ministry of employment or labour which ordinarily is responsible for implementing labour laws and related legislation.

8.5.1 Effects of Strike on the Worker and His Union

a. It allows the individual striker to exercise his fundamental right to withdraw his service whenever his personal wish and aspiration, needs are threatened.

b. It improves the economic well-being of members of the trade union whenever it is used to strike a better bargain with management.

c. It makes management to take union serious whenever there is need for future negotiations.

d. It is a learning process which by each side (labour and management) is able to estimate the relative power of the other. A unit having had a strike in its previous negotiation was less likely to have a strike in its current negotiation, suggesting that the strike serves as a learning process (Mauro, 1982)

e. Strikers are at the risk of losing substantial income and tenure during the period of the strike. The implementation of Trade Dispute Decree 1976, Section 32, that no-work-no-pay makes strikers to lose pay during strike.

f. A loss of credibility of any strike by the strikers confers on the leader loss of confidence from both the management and the workers. They are not likely to be voted in again and management can victimize such leaders (Fajana, 2006).

8.5.2 Effects of Strike on the Employer and Labour Management Relations

a. There is loss of production, loss of output, inability to meet customers' demands, inability to supply custom orders on schedule etc on the part of employer.

b. Pre-strike costs, cost during the strike; long term costs and uncommon costs are identifiable by Imberman (1979).

c. Pre-strike costs involve productivity loss. As union leaders and the management trade charges, workers put forth less efforts and less care;

d. Cost during the strike involves lost profits from loss of revenue, net earnings, and role equipment. Also cost is the executive's time which are used for breaking strike rather than using it for more profits elsewhere;

e. Long term cost includes loss of employees who may not return after the strike, cost of recruitment for replacement of lost staff. Management bears the cost of extra overtime in order to meet up with the loss of production occasioned by the strike action.

f. Uncommon costs include sabotage to equipment, prevention of supply of essential services to the factory during picketing.

In brief, the final costs (including overheads) to the employers by (Imberman, 1979) are:

a. legal counsel and executive time during the pre-strike period;

b. pre-strike slump in productivity;

c. loss of operating profits as customers split their orders to avoid disappointment from a factory where strike is imminent;

d. loss of profits during strike;

e. legal counsel and executive time loss during in-strike negotiations;

f. shutdown and disruption;

g. carrying raw materials and semi-finished inventory;

h. carrying hospital, medical and life insurance during strike action;

i. continuous payment of non-exempt office staff;

j. extra security guards;

k. hiring and training replacements;

l. overtime cost;

m. unrealized profits on lost future sales as customers switch;

n. executive time devoted to production;

o. carrying semi-finished inventory in other disrupted plants etc;

p. overtime in other plants;

q. excess distribution costs; and

r. lease of trucks etc.

8.5.3 Effects of Strike on the State and Society

a. Disruption of the objective of maximization of economic growth and development for the nation.

b. Loss of national output as a result of the loss of output in the affected industry.

c. In a linkage economy like in the oil exploration economy, a lot of problems erupt as a result of strike. For example, disruption of electricity grounds all social services, health services etc.

d. Political unrest can be ignited by a general strike.

e.   Distortion of the national economy. For example, a successful strike for wage increase leads to infection, re-adjustment of government priorities, neglect of some social services for the new role etc.

f.   Frequent strike brings a nation to disrepute and a fall in its international credibility. Foreign investments are discouraged and a blockage to developmental objectives.

Study Session Summary

Summary

In this Study Session, we discussed the meaning of strike in industrial relations. We discussed types of strikes such as wild-cast, sit-down, sympathy, constitutional and official strikes. Also, we cexamined different considerations that both workers and management must make before embarking on strike. We concluded with the effects of strike on workers and management.

Study Session 9

Trade Dispute Settlement Procedures

Introduction

The settlement of labour disputes must be pursued with rapt attention to control prolonged interruption of the system. This Study Session will therefore expose you to both the grievance procedure and statutory for selling conflicts.

Learning Outcomes

When you have studied this session, you should be able to:

9.1 *discuss* the internal machinery of grievance procedure.

9.2 *describe* the statutory mechanisms for settling trade disputes.

9.1 Machinery of Grievance Procedure

This is the internal machineries that are pre-agreed and self-imposed undertaking by the parties (workers and employees) to resolve all grievances, through specified machinery, without resorting to industrial action. Trade Dispute Act 1976, Section 3(1) stipulate that any dispute arising in industry must first be settled under internal machinery, and only when this fails can the statutory procedure be resorted to. A grievance is the dissatisfaction of any employee or a group of employees over a denial of a perceived right or interest to which the individual or the group feels entitled (Fasoyin, 2002).

Fasoyin (1980) gave four stages to be followed to utilize the internal grievance resolution procedure. The procedure starts with the aggrieved employee reporting his grievance to his immediate boss or sectional head for investigation and possible resolution. If resolution was not achieved, the second stage operates i.e. the grievance is then reported in writing to the sectional manager within specified days (for example, in most companies, 3 days). The sectional manager intervenes and tries the settlement of the grievance, but if this fails, the grievance process proceeds further by reporting same to the union representative who accompanies the aggrieved to present the case to the Head of the Department (third stage). If settlement for the grievance is not found at stage three, it is then referred to the Managing Director through the Personnel Manager (fourth stage). This is the final stage of the internal grievance processing.

9.2 Types of Grievances

Grievances can be classified into two, namely:

1) Individual grievances, and
2) Collective grievances.

9.2.1 Individual Grievances

Individual grievances are based either on right or interest. Right grievances form the major aspect of individual grievances which include worker's protest or worker's desire for wage increase, reduction in hours of work, non-promotion, termination of appointment, maltreatment by supervisor(s) etc. Disputes relating to rights are termed to be "justifiable" disputes.

Interest grievance is alluded to when workers wants the employer to concede to their request. Such grievances are settled by "Haggling". Haggling device is a negotiating method of settling interest disputes over what will be the working rules for the future (Bristenden, 1965). Since interest grievances are non-justifiable, they are disposed off through peaceful alternative to litigation in the form of arbitration (Iwuji, 1987). It has been observed that it is difficult to separate right grievance from an interest grievance, for in most cases a critical examination of right grievances has underlining interest grievance.

9.2.2 Collective Grievance

Collective grievances refer to the dissatisfaction of a group of employees or the entire members of the union (Fasoyin, 2002) such grievances involve interest issues like non-payment of entitlement (wages, benefit), dissatisfaction with working conditions, non inclusion of certain things in the negotiation list etcetera.

In some cases, an individual grievance may become a collective grievance if the employees think that such act is an affront to their union. For example, termination of the appointment of a union leader can become a group grievance.

9.3 Procedure for Statutory Settlement of Trade Disputes

The basic structure of the machinery for settlement of trade disputes in Nigeria are defined statutorily from

Trade Disputes Act No. 7, 1976.

Trade Disputes (Essential Services) Act No. 23, 1976.

Trade Disputes (Amendment) Act No. 54, 1977 and

Trade Disputes (Essential Services Amendment) Act No. 67, 1977.

It should be noted that voluntary grievances procedure in the settlement of trade disputes are recognized by the Trade Disputes Act of 1979, however when it fails, the next unmentioned five stages of statutory procedure are applicable. They are:

o Mediation.

- o Inquiry.
- o Conciliation.
- o Arbitration.
- o National Industrial Court

9.3.1 Mediation

Trade Disputes Act 1976, Section 3 requires both parties to a dispute to submit their disputes to a mutually agreed mediation if the internal machinery and procedures fails, or if no such agreed means of settlement exists. The submission to the mediation shall be within seven days of the failure or the existence of the dispute. Where this fails, any of the parties wishing to pursue the matter further is required to declare a trade dispute and notify the Federal Ministry of Employment, Labour and Productivity in writing within fourteen days of the failure to resolve the dispute.

9.3.2 Board of Inquiry

Section 23 and 24 of the Trade Disputes Act, gives room for a board of inquiry which is primarily a fact-finding machinery. The board looks into the causes and circumstances of the dispute. A board of inquiry is not mandatory to feature in the dispute settlement machinery nor is it required to precede conciliation. Most often inquiry board is appointed when the dispute is likely to have a serious effect on the public interest and it will be expeditiously good to clear the air. The use of board of inquiry is abhorred by unions because it is seen as a form of delay mechanism to the advantage of employers.

9.3.3 Conciliation

After the receipt of a written report from either party to a trade dispute, the Minister of Employment, within 7 days appoints a conciliator who will look into the causes and circumstances of the dispute and by negotiation with the parties' attempt to bring about a settlement. If settlement of the dispute is reached within fourteen days of his appointment, the conciliator shall forward a memorandum of the terms of the settlement duly signed by the agents of the disputing parties to the Minister.

9.3.4 Arbitration Panel

When conciliation fails to reach settlement within fourteen days of its appointment, it shall inform the minister who in turn will refer the dispute to Industrial Arbitration Panel (IAP) within fourteen days of the failure of conciliation. It should be noted that IAP is the beginning of the judicial processes for settling trade disputes. IAP is made up of a chairman, his deputy and twelve other members, four of whom are nominated each by employers and union. The board has twenty-one days, unless an extension is granted, to give its award.

Legal representations are allowed for either party at the sitting of the arbitration hearing but it is not mandatory. Also, bilateral negotiations goes on concurrently with the panel hearing, where settlement is reached, the panel will simply confirm such agreement and issue its award so as to give legal backing to the agreement. Such award of IAP is published by

the minister who allows a maximum of 21 days within which either party to the dispute may raise an objection. If no objection is received within the stipulated time, the minister confirms the award that becomes binding on both parties.

9.3.5 National Industrial Court

If any of the party involved in trade dispute gives a notice of objection to the award given by IAP to the minister within the legal 21 days of the award, the minister shall refer the dispute to the National Industrial Court (NIC).

The NIC is made-up of a president and four other members who are referred to as judges. It has exclusive jurisdiction to make awards in the settlement of a trade dispute and determine the interpretation of its own award, a collective agreement, award of the IAP or the terms of settlement of any trade dispute (Fasoyin, 2002). NIC re-hears the dispute, call for evidence as deemed fit and gives a ruling that is final and binding on both parties involved in the dispute.

It is no gain saying that the statutory procedure, even though it emphasizes third-party intervention, nevertheless promotes collective bargaining. Mediation and conciliation are direct extensions of the bargaining process because their principle is respected in negotiation and effective communication. Moreover, arbitration and the industrial court encourage continuous bargaining that can result in a consent award which is a further show of support for collective bargaining.

Study Session Summary

Summary

In this Study Session, we discussed the resolution of trade dispute through the grievance process. Grievances can be individual or collective. The statutory mechanisms for trade dispute resolutions were equally discussed. They are mediation, inquiry, conciliation, arbitration and industrial court

Study Session 10

Collective Bargaining

Introduction

For harmonious industrial relations of the workplace, there is need for the use of collective bargaining to either nip crisis in the bud or even to resolve already declared trade disputes. In this Study Session, we will look at the principles and approaches to collective bargaining.

Learning Outcomes

When you have studied this session, you should be able to:

10.1 *define* the term "Collective Bargaining".

10.2 *discuss* theories relating to collective bargaining.

10.3 *mention* types of collective bargaining.

10.4 *list* functions of collective bargaining procedure .

10.5 *discuss* the benefits of collective bargaining.

10.6 *highlight* constraints to collective bargaining.

10.1 Nature of Collective Bargaining

The term **collective bargaining** according to Webbs (1902) is an economic institution with trade unions acting as labour cartels by controlling entry into the trade. He postulates that it is nothing but negotiation concerning pay and conditions of employment between trade unions in one hand and either an employer or an employers' association on the other. However, Flanders (1952) sees collective bargaining as a political rather than economic issue.

Fasoyin, (1992) describes collective bargaining as a machinery for discussion and negotiation, whether formal or informal between employer(s) and workers' representatives, aimed at reaching mutual agreement or understanding on the general employment relationship between the employer(s) and workers. The conclusion of an agreement is not a necessary determinant of collective bargaining. Thus the Labour Act of 1974 defines collective bargaining as a process of arriving at, or attempting to arrive at, a collective agreement.

Dale (1985) sees collective bargaining as a relationship between unions representing employees and management representing employer. He postulated that collective bargaining involves the process of union management and the negotiation, administration and interpretation of collective agreements covering wages, hours of work and other conditions of employment. It also involves concerted economic actions

and dispute settlement procedures. Dale thus emphasizes the processes or strategies involved in collective bargaining. Similarly, Ubeku (1985) defines collective bargaining as a process based on the principle that workers have right to contract with the employers as to wages and conditions of service and that the employers recognize the right. It is thus according to him, a system used for determining wages and condition of service in which the employers shares administrative decision-making responsibilities with the union.

Bernardin (2003) sees collective bargaining occurring when labour union representatives meet with representatives of management in determining employee's, wages and benefits, creating or revising work rules, and the resolution of disputes or violations of labour contract. Therefore it is a primary process of determining employee's wages, benefits and working condition.

The ILO Convention No. 98 (1949) relating to the Right to organize and to bargain collectively describes collective bargaining as:

> "Voluntary negotiation between employers or employers' organizations and workers' organizations, with a view to the regulation of terms and conditions of employment by collective agreements".

There are several essential features of collective bargaining, all of which cannot be reflected in a single definition or description. They are as follows:

i.   It is not equivalent to collective agreement because collective bargaining refers to the process or means, and collective agreement to the possible result, of bargaining. There may therefore be collective bargaining without a collective agreement.

ii. It is a method used by trade unions to improve the terms and conditions of employment of their members, often on the basis of equalizing them across industries.

iii. It is a method which restores the unequal bargaining position between employer and employee.

iv. Where it leads to an agreement it modifies, rather than replaces, the individual contract of employment, because it does not create the employer-employee relationship.

v.   The process is bipartite, but in some developing countries the State plays a role in the form of a conciliator where disagreements occur, or may intervene more directly (e.g. by setting wage guidelines) where collective bargaining impinges on government policy.

vi. Employers have in the past used collective bargaining to reduce competitive edge based on labour costs.

Aturu (2005) sees collective bargaining as a process whereby workers and employers enter into discussion and consultations with a view to arriving at collective agreements aimed at regulating working conditions. It is collective in the sense that the outcome of the process usually affect, persons organized in groupings; that is, trade unions. Fasoyin (1992)

therefore concluded that collective bargaining is a standard-setting machinery aimed at:

i. constituting an important source of regulation governing wages, salaries and other employment conditions mutually agreed between labour and management and in conformity with public policy;

ii. serving as guiding principles of labour relations; and

iii. establishing a set of rules guiding relations between the parties during the life of a collective agreement, as well as providing for an orderly method of settling grievances that are bound to occur from time to time (Dunlop, 1949).

These three functions of collecting bargaining are the foundation of industrial democracy (Fasoyin, 1992).

10.2 Theories of Collective Bargaining

Collective bargaining theories help us to understand some aspects of union and management behaviour as well as the functioning of collective negotiations. We shall discuss three types of theories.

10.2.1 Chamberlain and Kuhn Theory (1965)

They viewed collective bargaining from three perspectives which represents different stages in the development of the collective bargaining process. The three perspectives are:

a. Means of contracting for sale of labour (The Marketing Concept).

b. Form of industrial government (The governmental theory).

c. A system of industrial relations (The Industrial Management Concept).

The Marketing Concept

This concept views collective bargaining as the means or process by which labour is bought and sold in the market place. In other words, it is that method of conducting industrial relations which determines the standard terms and conditions of employment by which labour is supplied to an employer either by its present employees or by its newly hired workers. This is an exchange or economists' model that is based on the principle that workers have the right to contract with employers as to wages and conditions of work and that employers recognize that right. In this, it is possible for labour and management to institute arrangements for review of terms of conditions of employment if the need arises.

Government Concept

This concept viewed the institution of collective bargaining as a rule-making process by which rules governing the relations between management and trade unions are made. Administration of industry is determined by the extent to which the social partners are willing to have their relationships influenced by rules that are jointly made, or the extent to which rules unilaterally determined by one of the parties are acceptable to other. Here collective bargaining is viewed as a political phenomenon in which power relationship is attained. The interplay of the power is

illustrated in the extent to which the actions of one party are otherwise influenced by the other party.

Power relationship is least manifested when one party is extremely powerful and the other is totally unable to get any meaningful result in its interaction with the other party. In practice, the trade union will be able to deploy the strike weapon, and the employer will be able to lock out the workers in the event of a strike action. This will enable the trade union and employer to assess and advance their power towards the realization of their members' aspirations and workplace interest.

Industrial Management Theory

This concept views collective bargaining as a system of industrial management to the extent that trade unions join employers in reaching decisions on matters in which both parties have vital interests. This happens because collective bargaining by its nature involves trade union and management in making decisions in those areas covered by collective agreement.

This theory enables functions of management to be shared with trade unions. Ordinarily, the management exercises rights or prerogatives over many industrial issues. Such as expansion of the business, relocation and other investment-related decisions, but the incidence of trade union brings about the joint sharing with management decisions that would otherwise be guided by managerial prerogatives only.

10.2.2 Sydney and Beatrice Webb Theory

The above viewed collective bargaining as an economic institution, with trade unionism acting as a labour cartel by controlling entry into trade. They observed that the terms and conditions of employment can be determined in three (3) main ways:

 a. Unilateral determination by the employer.

 b. Unilateral determination by employees.

 c. Unilateral determination by the state; as well as joint determination by social partners.

They viewed all the three previous methods as leading to sub-optimal and dissatisfying results, whereas collective determination by the three social parties are more satisfying and leads to enduring satisfaction by the parties.

They see collective bargaining as an alternative to individual bargaining that provides a method of mutual insurance for workers. That collective bargaining replaces the weak attempt by the individual to effect some changes in terms and conditions of employment.

The Webbs theory re-echoed the warnings of Lenin and Max that the trade union organization should exercise reasonable care to ensure that its collectivity is not abused by the management through corrupting of the union leaders, to the extent that the mass movement offered by the collectivity is now converted to the advantage of the employer only.

10.2.3 John T. Dunlop Theory (1958)

John Dunlop (1958) sees collective bargaining as the means of rule making which governs the workplace. It is noted that the institution of collective bargaining comprises of three actors namely:

a.   Hierarchy of managers and their representatives.

b.   A hierarchy of non-managerial employees and their spokesmen.

c.   Any specialized third party agencies.

He sees collective bargaining as that which is intricately dependent on the quality or characteristic of the operating context of the parties. The details of the environment include

1.   the technological

2.   the historical

3.   the social

4.   the cultural

5.   the power relationship between actors

6.   the dominant ideology.

He concludes that collective bargaining is effective only to the extent that the environment permits this.

In a more general sense, collective bargaining which has its supporters as well as its critics is a critical element in pluralism. Why does pluralism place collective bargaining at the centre? Because, as adherents and critics agree, in the pluralist vision, labour and management, as autonomous interest groups, can and should jointly fix the rules of employment upon terms which represent an acceptable compromise between their competing interests. But is this process of negotiation and compromise a good in itself? Pluralists believe that it is, although their rationales vary: collective bargaining replicates the processes by which conflict is and should always be resolved in a democracy; it projects democratic values into the workplace; it preserves the autonomy of social forces as against the pervasive influence of the state; it is faithful to – but makes more acceptable by its mobilization of countervailing power – the conventional marketplace techniques of economic ordering in a capitalist economy; it ensures the participation, and thereby the moral commitment, of those most directly concerned with outcomes; it represents a significant advance over abusive and oppressive unilateral employer control.

Collective bargaining, in as much as it promotes democracy at the enterprise as well as at the national and the industry levels (depending at which level collective bargaining takes place), is an important aspect of a sound industrial relations system.

10.3 Types of Collective Bargaining

Collective Bargaining may take place at the national, industry or enterprise level. It could be said that collective bargaining is a means of settling issues relating to terms and conditions of employment and has little to do with labour management relations policy formulation.

Nevertheless, collective bargaining may reflect – sometimes explicitly and at other times implicitly – labour management relations policy e.g., on wage guidelines, termination of employment procedures. It can also be a means of developing policy formulation at the industry level. For instance, arrangements and agreements resulting from collective bargaining may provide ways in which wages could be adjusted to meet increases in the cost of living, in which case they will constitute an agreed policy on this issue. They may link a part of wage increase to productivity increase or provide for productivity gain sharing in other ways, in which event they represent policy on aspects of productivity. Methods of dispute settlement would reflect a desire for the peaceful resolution of disputes. Forms of bargaining are:

10.3.1 Enterprise Collective Bargaining

This take place between employer and the workers in a given company or enterprise. This type is not common in Nigeria and it certainly does not meet the definition of collective bargaining as stipulated in the Labour Act.

10.3.2 Industrial Collective Bargaining

This type is common in Nigeria and it usually involves many employers and can therefore be described as industrial/multi employer bargaining (Aturu, 2005). The agreement reached in this type of collective agreement has nationwide application and implication within a given industry. To this extent, it has national colouration and such agreement could be adopted by enterprises as "staff handbook" to guide the employees.

10.3.3 National Collective Bargaining

Any bargaining process that has nationwide implication or application can be described as national collective bargaining (Aturu, 2005). Most atimes, bargaining in respect of wages has tended to be national in this country. Many atimes, the NLC and the Federal Government negotiate wage increases and the conditions of work aftermath of major policies such as increase in the prices of petroleum products and other economic policies likely to affect the labour market. In most cases, such agreement that emanate from the national collective bargaining are not limited to the public sector but extended to the private sector through the Minimum Wage Act. Aside from this, the Joint Public Service Negotiating Council also engages in bargaining on behalf of workers in the civil service.

Bargaining can also take several other forms. Bernadin (2003) explained three of the most common as distributive, integrative and concessionary.

Distributive Bargaining

This is the most common type of bargaining and involves zero-sum negotiation. In other words, one side wins and the other side loses. In distributive bargaining, unions and management have initial offers or demands, target points (e.g. desired wage level), resistance points (e.g. unacceptable wage level) and settlement ranges (e.g. acceptable wage level).

Integrative Bargaining

This is similar to problem-solving sessions in which both sides are trying to reach a mutually beneficial alternative (i.e. win-win solution). Both the employer and the union try to resolve the conflict to the benefit of both parties. This bargaining is also called "interest-based bargaining". The objective is for both parties to find the common ground between them, to build relationships, and to eliminate the adversarial elements of traditional bargaining.

Concessionary Bargaining

This involves a union giving back to management some of what it has gained in previous bargaining. Usually such a move is prompted by labour leaders who recognize the need to assist employers in reducing operating cost in order to prevent layoffs and plant closure. Thus, it is the economic adversity that motivates concessionary bargaining. In some cases, despite financial crises, the union may not be willing to concede. This may be because the union does not view management's arguments as credible. Thus the degree of trust and credibility between management and the union may influence the extent to which concessionary bargaining occurs. Other forms of collective bargaining are:

Fractional Bargaining

Professor James Kuhn (1967) discussed fractional bargaining. Fractional bargaining involves the sectional activities of some work groups who because of either their strategic location in the work flow or special skills seek supplementary agreements on behalf of the group alone. (For example, Medical Doctors bargaining separately for its members within the medical sector) such groups are usually cohesive with their own informal authority structure.

Individual Bargaining

As the name indicates, this involves the individual worker seeking an improvement upon his prevailing conditions of employment. This is pointed more in the manual and poorly paid workers of compulsively banding together in groups to negotiate better terms. In Nigeria for example, as soon as a 'junior' worker is promoted into the lowest rung of management group, he/she is explicitly asked to give up union membership (Otobo, 2005).

10.4 Functions of Collective Bargaining

According to Fajana (1999) bargaining is of value jointly and severally to each of the actors in industry, that is, to the workers, employers and the state. He highlighted the benefits thus:

To the workers, collective bargaining
   i. affords them an opportunity to participate in the management functions of their organization.
   ii. allows substantive and procedural rules governing the workplace to be jointly determined by both union and management and sometimes with government. Substantive rules pertain to

financial issues while procedural rules refer to the process for reviews of collective agreements, periodicity of meeting and methods of dispute settlement.

iii. allows for the provision for grievance and dispute settlement procedures. For example, collective bargaining specifies time for negotiation before strike can take place, the grievance procedure will specify and maintain uniform standard of discipline at the workplace.

To the Employer, Collective Bargaining

i. saves the cost (time and finance) of negotiating with each worker. Time is saved from being expended on negotiating with individual workers, just as financial cost is saved instead of negotiating individual salary structure.

ii. generates industrial harmony and thus saves the cost of strikes. Workers value being part of decision making therefore collective bargaining may reduce the possibility of deploying strike and others forms of industrial action. Industrial peace is thus guaranteed with all the overt and covert costs of the strike avoided by the employer.

iii. ensures that jointly authored rules are complied with easily. Workers' preference for collective bargaining in the place of strike could derive partly from the philosophy that jointly authored rules are complied with more easily rather than rules that were unilaterally imposed by the employer.

iv. prevents the development of multiple standards by management in meting out disciplinary actions, and the attendant cumbersome administration of several rules that the absence of collective bargaining would have brought about.

v. avoids comparison issues which may be raised by workers if individual bargaining had been used. Issues that can be raised for comparison mostly among workers is wages and salaries.

To the State, Collective Bargaining

i. ensures that the state benefits from orderly resolution of conflicts through collective labour-management relations.

ii. avoids the negative effects of visible expression of conflict which create tensions even among those that are not involved in the crisis.

iii. avoids political instability which overt expression of unresolved conflict can bring about.

iv. removes the need for state intervention which may be mutually perceived as biased towards labour or management, and therefore unsatisfactory.

v. brings less usage of efforts and resources of the state that would have been expended by the state in attempting to help labour and management resolve their differences.

10.5 Benefits of Collective Bargaining

It is sometimes claimed that in non-industrialized countries settlement of wage issues through collective bargaining – especially on a national or industry wise basis – can be an obstacle to a wage policy to promote specific economic objectives because wage rates are not necessarily fixed on criteria designed to promote specific economic and social objectives (other than as compensation for cost of living increases), and that they often tend to reflect the bargaining strength of the parties or the supply and demand conditions of labour. With some exceptions (such as Japan) wage increases through collective bargaining in Asia pay little attention to productivity, individual or group performance and to skills. However, collective bargaining has many advantages which have been claimed, for it is a means of resolving differences between management and employees, though it has made little positive contribution to higher productivity and higher earnings by linking pay to performance and skills.

1. Collective bargaining has the advantage that it settles issues through dialogue and consensus rather than through conflict and confrontation. It differs from arbitration because the latter represents a solution based on a decision of a third party, while arrangements resulting from collective bargaining usually represent the choices or compromises of the parties themselves. Arbitration may invariably displease one party because it usually involves a win/lose situation, and sometimes it may even displease both parties.

2. Collective bargaining agreements often institutionalize settlement through dialogue. For instance, a collective agreement may provide for methods by which disputes between the parties will be settled. This has the distinct advantage that the parties know beforehand that if they are in disagreement, there is an agreed method by which such disagreement may be resolved.

3. Collective bargaining is a form of participation. Both parties participate in deciding what proportion of the 'cake' is to be shared by the parties entitled to a share. At the end of an agreed term, labour again insists on participating in deciding what share of the fruits of their labour should be apportioned to them. Collective bargaining is a form of participation also because it involves a sharing of rule making power between employers and unions, and this has eroded areas which in earlier times were regarded as management prerogatives e.g. transfers, promotion, redundancy, discipline, modernization, production norms. However, in some countries such as Singapore and Malaysia, certain subjects such as promotion, transfer, recruitment, termination of employment on grounds of redundancy or reorganization, dismissal and reinstatement, and assignment of duties within the scope of the contract of employment, are regarded as management prerogatives and outside the scope of collective bargaining. But collective bargaining suffers from the drawback that it seldom deals with how to enlarge the "cake", as

the way of increasing the share of each party without eroding competitiveness.

4. Collective bargaining agreements sometimes renounce or limit the settlement of disputes through trade union action or lock out. Therefore collective bargaining agreements can have the effect of guaranteeing industrial peace for the duration of the agreements, either generally or more usually on matters covered by the agreement.

5. Collective bargaining is an essential feature in the concept of social partnership towards which labour relations should strive. Social partnership in this context may be described as a partnership between organized employer institutions and organized labour institutions designed to maintain non-confrontational processes in the settlement of disputes which arise between employers and employees.

6. Collective bargaining has valuable by-products relevant to the relationship between the two parties. For instance, a long course of successful and bona fide dealings leads to the generation of trust. It contributes towards some measure of understanding by establishing a continuing relationship. Once the relationship of trust and understanding has been established, both parties are more likely to attack problems together rather than each other.

7. In societies where there is a multiplicity of unions and shifting union loyalties, collective bargaining and consequent agreements tend to stabilize union membership. For instance, where there is a collective agreement, employees are less likely than otherwise to change union affiliations frequently. This is also of value to employers who are faced with constant changes in union membership and consequent inter-union rivalries, resulting in more disputes in the workplace than otherwise.

8. Collective bargaining agreements which determine wage rates on a national or industry level, place business competition on a more equal footing as a result of some standardization of the costs of labour. This is probably a less important advantage today in the face of technological innovations and productivity drives.

9. Perhaps most important of all, collective bargaining usually has the effect of improving industrial relations. This improvement can be at different levels. The dialogue tends to improve relations at the workplace level between worker and the union on the one hand and the employer on the other. It also establishes a productive relationship between the union and the employers' organization where the latter is involved in the process.

However, between the employer on the one hand and his employees and union on the other, collective bargaining improves relations for the following reasons or in the following ways:

a. It requires a continuing dialogue which generally results in better understanding of each other's views.

b. Where collective bargaining institutionalizes methods for the settlement of disputes, differences or disputes are less likely to result in trade union action.

c. It could lead to cooperation even in areas not covered by collective bargaining arrangement.

Also, between unions on the one hand and employers' organizations on the other, collective bargaining improves the industrial relations climate in the following ways:

a. It acts as a means of exerting influence on the employer or the employee, as the case may be, where the unreasonable position of one party results in a deadlock. The employers' organization or the union, as the case may be, has an interest in exerting influence on its respective members; the maintenance of the relationship between the two parties is seen as important to issues well beyond the current dispute. Both parties know that the current dispute is only one of many situations which are likely to arise in the future, and that a good relationship needs to be maintained for the overall benefit of their respective members.

b. The entry of a union and employers' organization into a dispute facilitates conciliation or mediation. Sometimes one or both parties are able to divorce themselves from the main conflict or from their position as representatives of their members, and mediate with a view to narrowing the differences and finding compromise solutions.

c. Collective bargaining often leads employers' organizations and trade unions establishing links, and to look for and increase areas of common agreement. This in turn ensures the benefit of their respective members.

Between unions and their members, collective bargaining tends to enhance the stability of union membership. Employees, who perceive that their union is able to secure collective bargaining agreements, or obtain concessions through collective bargaining, are less likely to frequently change their union affiliations.

10.6 Constraints to Collective Bargaining

Constraints of collective bargaining refer to those factors or things that affect effective bargaining or do not allow it to thrive as expected. Some of the identifiable constraints to collective bargaining include:

1. unfavourable political climate;
2. non-recognition of existence of trade union;
3. poor power relationship;
4. discrimination in the authorship of rules;
5. instability of workers organization;
6. restriction on association;
7. unwillingness of the parties to give and take;
8. unfair labour practices on the part of both parties;
9. inability of the parties to negotiate skillfully;
10. unwillingness to negotiate in good faith and reach agreement;
11. suspicion of the other party;
12. targeting human beings and not disusing issues;

13. unwillingness to observe the collective agreements that emerge.

Study Session Summary

Summary

In this Study Session, we discussed the nature of collective bargaining. Three theories and different types of collective bargaining were equally examined.

We also discussed the functions of collective bargaining within an industry, advantages of collective bargaining and the constraints that will affect the effectiveness of collective bargaining.

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